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The Peaceful Revolution



This selection of the Lord President's speeches is made with the approval of the Lord President himself. It deals with the home policy of the Government—with, in his own words, "the social revolution of our time." The first section deals with the general principles of the Socialist Plan on which the Government is working, and with its progress over two years—its successes and its setbacks. The second deals with the instruments which can be used in the achievement of this revolution. In certain cases (as for example, in the speech on Communists) it deals—very plainly too—with instruments that can *not* be used. It provides the first connected and authoritative picture of Government economic policy that has yet been issued.

The speeches are authentic and no sleight of hand has been practised on the reader. They have not been altered or adapted to fit events that occurred since their delivery.

The Peaceful Revolution

Speeches by The Rt. Hon.

**Herbert
Morrison**

LONDON

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Preface

ONE of the things I have learned about speech-making is that, provided one has time, it is well worth while to take trouble about their preparation and carefully to assemble the relevant facts. It is, of course, a treat to speak free of a script, and even free of notes, as one does from time to time, and to do one's best to move along with the audience.

There are obvious disadvantages about the prepared speech at great public meetings ; but the advantage is that the record is there, and the permanent effect is likely to be greater because there is, perhaps, more likelihood of being reported and thus getting one's views before one's fellow-countrymen and women. Another advantage is that from time to time one can assemble speeches in a book as I have done for the present volume.

It is the second venture of this kind, for I published a previous volume of speeches, *Looking Ahead*, which were wartime speeches about the shape of things to come. The speeches in *Looking Ahead* were made during the years I was a member of the War Cabinet. There were—as I thought—groundless objections to them by Conservative M.P's. But they survived and played their part, I hope, in educating public opinion.

The present collection is of speeches which I have made during my membership of the Labour Government which followed from the Parliamentary General Election of 1945, and they therefore deal with various phases of current public policy, administration, and public questions which have been in the public mind since the last Election.

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It is true they are speeches ; but if I may venture to do so, I would advise the reader to regard them as chapters of a book, which indeed they could well have been. They cover a fair variety of subjects, as is natural in the circumstances—the economic situation and outlook : the organisation of economic planning : various aspects of science in relation to public administration and policy also find their place : the work of Parliament : the problems of socialisation : the new social services : and there are words of advice to my fellow Trade Unionists and members of the Labour Party.

One of the risks of publishing volumes of speeches is that they may have become out-of-date because of changing situations, or that estimates and hopes may have proved not to have turned out to be sufficiently accurate for permanent record. I hope I am not wrong ; but I have been pleasurablely surprised, on reading through these speeches, to find that, as a whole, they stand up to the test of events. Anyway, here they are—as contributions to the study of the problems of our time. I trust that they will be useful to the citizen who takes an interest in the well-being of our country and the world.

HERBERT MORRISON

11 *Downing Street,*
London, S.W.1

Prologue

TRY and see what is happening with the eyes of a nineteenth century citizen. It is a British revolutionary period. It is the social revolution of our time. It is not a violent revolution—it is taking place in the characteristic British way. But it is none the less a social revolution. Let us go on with our peaceful revolution in our British way—with our eyes open, with patient study and harnessing of great economic forces, with earnest and sincere progressive social purpose ; and above all, with high public spirit. For we have now reached a phase in our social revolution when the work of the early Labour and Socialist propagandists has taken root, when their unforgettable lessons have roused the people to thought.

It was their life work to expose the sorrows and evils of capitalist society. They worked in a period in which it was essential to expose its evils, and, with some remarkable exceptions, they had little time to develop positive constructive policy. That is the work which has fallen to our generation in the twentieth century—to translate the exposures and the slogans of the pioneers into terms of legislation and statesmanship.

London, July 26th, 1946 :

On the first anniversary of the 1945 General Election
at a meeting organised by the London Labour Party

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I

The Plan

The First Year

Croydon, June 18th, 1946

To a Conference of London Employers and Trade Unionists

THIS is not merely a meeting—it is a conference, and I am going to ask you to join me in some economic planning. If tonight we can go away with a picture in our minds of the broad economic problems which face our country and with an understanding of the first planned steps which have been taken to meet them, the meetings which take place as a direct result of this Conference will be more valuable because they will base their agenda on firm and factual agreement, and will be able to go on usefully to more local and sectional planning.

Let us, therefore, first look at what we have to do and what we want, and measure it beside what we have to do it with.

We could divide up what we want to do, and that is the same as saying what we've got to do, into seven main divisions.

First, we must put some goods back into the shops. We've gone without all the necessities and small luxuries in our homes long enough, and we and our wives are heartily sick of all the inconveniences and privations which were the result of starving the home market for the needs of war. If there is anything foreign to British character it is the Black Market, under-the-counter dealing, and all the rackets which follow scarcities of consumer goods. (And it is to our credit that there is so little Black Market in this country). The only final way to kill them is to have plenty of goods for sale, just as that is the best way to stop "high price" rackets.

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Second we must import food and the raw materials we need in our manufacturing industries. We are a great importing country. When we talk about our export drive, what we really aim at is our import drive, using the exports to pay for what we want to import. And you can't buy goods or food without paying for them. Before the war, in 1938 for example, we were importing rather more than we were paying for. We imported and kept goods and materials worth £860 millions. To pay for them we exported £470 millions worth, and earned £120 million from our shipping, and our foreign investments brought us in about £200 millions. So we had a deficit of £70 millions in 1938.

We've got to build houses. This is vitally urgent in almost every corner of the country, but especially is the shortage tragic and the need desperate in Greater London.

Then, we must repair damage to railways, factories and buildings (including schools and laboratories) and to our own merchant fleet.

We've got to make good six years' lack of repairs and maintenance in almost every section of industry, commerce and domestic services.

Number six—we must increase production of coal, and this is fundamental to the recovery of every industry in the country.

And seventh, farmers and farm workers must shoulder the great responsibilities of contributing to our food supply all that is possible from British farms.

We came out of the war victoriously, but only at shocking cost. You can't win a war without paying for it, and we have got to face the fact that victory has brought us problems and difficulties as great and as desperate as war itself. We were in the front line and suffered from the destruction of houses, factories and railways. We achieved an almost total conversion of our industries from peace to war production. That was a gigantic and heroic changeover. It took us over two years. Now we've got to change back, and it is just about as big a job all over again. We sacrificed our foreign investments and our export trade upon which we rely utterly for our necessary imports of food and raw materials. We had to stand the financial and economic shock of the sudden ending of Lend-Lease. During the war we lost more than half of the shipping tonnage we started with. And then, overshadowing it all, there is the continuing world food shortage which lays on us, as a victor nation, great and unavoidable responsibilities.

The First Year

To meet all this avalanche of trouble and difficulty we have the advantage of new factories and machines built during the war. Our productive capacity is greater than it has ever been, and we have a new trained army of industrial workers. But, above all, and in this we have reason for optimism and confidence in the future, we have the brains, the enterprise, the skill, the strength and the unconquerable spirit of the British people.

At the end of this year (1946) we calculate we shall have a total of 20 million people upon whom we can rely for the work of recovery. The energy and strength of that 20 million will have to be carefully divided among the claims for production for export, production for home consumption, housing, new industrial development, Defence, and so on.

This is where planning begins, because those 20 millions are not enough. It is more than we had before the war, when our total working strength was (in June, 1939) $19\frac{3}{4}$ millions, of whom, 1,300,000 were unemployed; but it is many less than in the war when, for example, in June, 1945, 21,600,000 were actively engaged in the war effort. The Government was faced with this serious shortage of manpower and, put simply, it had to decide how to get back to civilian life as many as rapidly as possible, how to divide strength between the jobs which have to be done, how to increase the 20 millions by recruiting married women and elderly people who are leaving war work, and how to make the best use of each individual who is sharing in the national effort.

Strength will be divided like this. At the end of 1946 there will be 1,200,000 in the Services and 500,000 on making their supplies (that compares with 9 millions in all in June, 1945); to reach our export target, fixed at a level to pay for what we must import, we shall build up our export labour force to about 1,600,000 (which compares with 280,000 in 1944 and 1,200,000 in 1939); we hope to reach the pre-war level of home consumption on an average of commodities by the end of this year, and that will be using up the energies of between 14 and 15 million people; building, which was 700,000 strong in mid-1945, will engage about 1,400,000 at the end of this year. This use of manpower will make it unavoidable to postpone some new development schemes; but the Government intends to press on with housing first of all.

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That is briefly how the Government proposes to use the nation's strength for the national recovery; but, of course, the Government can only plan the framework. Organised industry and the individual must supply the main drive, and it is on them that the actual work depends. With so serious a gap in strength between the number of helpers the nation needs and the number it has, the first step which the Government has taken is carefully to divide up strength between the most urgent claims. The second step starts at this Conference where representatives of employers and Trade Unions are met together to consider how in the national interest, and within the broad divisions of manpower, we can see to it that every factory is used to best advantage and how every man and woman can make his or her full contribution. Given an understanding of the problems of our national economy and the co-operation of all sections of the community, Britain will not only regain her independence but will prosper. We can earn prosperity, but our success will depend upon our effort and upon our effort in time. This is the "tide in our affairs."

Britain is a great democracy. We have seen our strength tested, and it stood the test. We have seen the spirit of London uncowed by the close horrors of war. We have come out of the war united in a hatred of war, united in a determined faith to build a real peace such as we never knew before the war. We need not go back to the undernourishment, the poverty, the mass unemployment and the scarcity economics we knew before the war. If we will share the responsibilities and make the effort, we can create a new economy and bring in a period of health and happiness and prosperity for our people.

But our economics must be sound. We must, each and all of us, understand that a high standard of living and social security must be paid for—paid for by production. Without compensating productivity, national spending in education, social insurance and so on is like signing a cheque without sufficient money in the Bank to meet it. On the other hand, high production without a compensating higher standard of living starts up the vicious circle of unemployment and waste, and that we will not tolerate. We can, and must, have both high production and high living standards. Rewards must be shared. Consumption and Production must march together, ever increasing and in step. If we can achieve that, we shall enjoy a prosperity greater than we have ever known.

The First Year

We have adopted as a national policy, a policy of full employment, a policy by which every man can claim his right as a citizen to make his full contribution to the national wealth and, in return, enjoy freedom, well-being and security for himself and his family. We must recognise that this policy of Full Employment is an experiment, an experiment which has never been attempted before under conditions of individual liberty and democratic freedom as we know them in this country. If it means anything to us, we must treat our experiment with the greatest care. It must be nourished and cared for. It will require the full co-operation of both sides of industry and of the Government. It will rely for success upon the sense of responsibility of everyone in industry. It will only flourish, in these early days, in conditions of economic stability. It is a great and inspiring national goal, towards which all good men will strive.

I do not intend here to debate the "politics" of nationalisation. I would only say this:

Personal responsibility will be especially heavy upon the men and women engaged in those industries which will be coming under public ownership. It is very important that such industries and services shall be in a position to offer the great bulk of trade and industry which will continue to function under private ownership, efficient service unhampered by any consideration other than the needs of the public. In fact, that is the big idea. The nationalised industries will be offered a wonderful opportunity of service, of technical advance, of public enterprise, and of example in the field of employment and working conditions. In the early days, their success will depend upon the effort and steadiness of the men and women of all grades in them. All of them, managers, foremen, workers at the bench, in the offices, on transport, have a wonderful and unique opportunity of public service, and a deep responsibility to the nation in this period of recovery and reconstruction.

We base our economic planning, therefore, upon the belief that there is and will be a useful job for everyone to do, and that, in exchange for a fair week's work, there must be for everyone a fair share of the national income.

Already, it is possible to see how the distribution of the products of industry is fairer than it ever was before.

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The spread of money incomes is more even. There are fewer at both ends of the scale, and more in the middle.

Controls are keeping down prices of essential consumer goods and evening out their distribution to those who need them most. (Incidentally, it is the shortage of these goods which would force up their price and does so if they are uncontrolled. Here is the answer to the irksomeness of controls—make more, put more goods in the retail shops, and watch how much controls will be relaxed.)

Food rationing continues to bring fair shares, and again subsidies of essential foodstuffs ensure that everyone can afford to buy his food rations. True, we should all like more to eat just now—but it is true of all of us and we will either all get more or all get less—it's fair.

As goods come back and as we make more, it will be possible to relax the controls. Already you can see the difference. Between March 15th and June 1st a clean sweep was made of all the remaining style restrictions on clothing, including overalls and footwear, with the one solitary exception of nurses' indoor uniforms.

The total number covered by Essential Work Orders six months ago was 8,200,000. When the present notices expire, considerably less than three million (which includes cotton spinning and shipbuilding) will still come under the Orders.

This is an important change which affects every part of the national industrial structure. It is a freedom which brings with it responsibilities to the nation, responsibilities upon the individual and upon the organisations of workers and employers. It puts upon us all the responsibility of making sure that each one of us is used to the best national advantage; that we must be careful of our bargaining strength and strive for stability and peace in industry, both of which will come from a fair reward for a fair week's work; that we must take the long view, even though it sometimes means sinking our individual or sectional interests in the over-riding interest of the national effort. There must be fairness on both sides, and co-operation from both sides of industry. If there is, we have every right to believe that our present effort for recovery and prosperity will be triumphantly successful, and we shall be able in a year or two to look back on these days of difficulty and be glad that we kept our heads and worked together, for we shall see and feel the results in our homes and in the well-being of our children.

The Production Effort

London, October 18th, 1946

At one of a series of Press Conferences which formed a continuous survey of progress in the national effort for production

DURING the war as one phase followed another we used to have opportunities to size up at intervals how the campaigns were going. It was a useful practice and I hope we will keep it up in peace, especially in this troubled aftermath which is so unpleasantly like war minus the bangs and the bloodshed.

We have now a fairly complete statistical picture of the first year after V.J. Day. Looking back we can see that as soon as the bombers, the V1s, the V2s, the Panzers, the E boats and the U boats ceased to be flung at us a whole group of new enemies were ready to go into the attack. There was a great blow aimed at our stomachs by the threat of world famine. Another blow was directed at our hearths by the world-wide shortage of coal and other forms of fuel. A third big attack threatened to leave many families without a roof over their heads as demobilised and evacuated people came back to towns which had not enough dwellings to house them. A fourth attack was aimed at the clothing on our backs, which threatened to wear out before output could be stepped up enough to meet the people's needs. Then there was a fifth attack on the money in our pockets, the threat of inflation which aimed to drive prices sky-high and rob our earnings and savings of a large part of their value. Even these were not all. The country as a whole was threatened with bankruptcy in the sense that we would be without the necessary money or credit to buy from

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overseas the food we need to live on and the raw materials we need to work with. Finally, there was the attack on our morale. The powerful forces of fatigue and shortage and defeatism and disunity aiming to destroy our wartime sense of purpose and capacity for achievement and to persuade us that the struggle to make something of our victory was not worth while.

Let us keep that picture in mind in considering the economic record since V.J. Day and how we stand for the next phase of the campaign to win the peace. We cannot yet claim a conclusive victory on any front, but we can claim that this most formidable array of economic and social threats which has ever confronted Britain has been faced, held, brought under control, and in some cases partly repulsed.

The impetus which is gathering behind reconversion and the progress already registered are all the more remarkable because each shortage—grave in itself—becomes even more dangerous by contributing to the rest. For instance, people have found it hard to buy because production was so low, but it was hard to increase production because there was so little to buy with the earnings and profits. It was, therefore, impossible to tackle bottlenecks and shortages separately one by one. The whole tangle had to be considered at once so that efforts could be concentrated on those shortages which were the cause of other shortages right down the line.

The Government's line of attack has been based on the following strategy :

(a) Creating and maintaining stable conditions.

For example, use of subsidies to hold down the cost of living ; proper use of controls, and where necessary rationing and priorities to hold down prices and ensure fair shares ; the Chancellor's successful balance between restoring Budget equilibrium and easing burdens all round ; the maintenance of a very high degree of industrial peace ; assured markets for farmers.

(b) Smooth and rapid transfer from the Armed Forces and munitions to civil employment.

About seven million men and women were released in the first year after V.J. Day. This represented the most vast human transport problem we have ever faced in time of peace.

(c) Priority for export drive.

The First Year (The Production Effort)

We all grumble when we see stuff labelled "Export Only," but what is now being achieved in exports—in the third quarter of 1946 they have been running at about 110 per cent. of 1938 volume—is heartening evidence of what is coming forward for the home consumer as reconversion is completed. The dividend on putting exports first is already coming in in improved British credit and larger supplies. In 1946 we are importing by volume 69 per cent. of the amount we imported in 1938. Next year it will be more, although on exchange and supply grounds imports must lag a long time behind exports in surpassing the 1938 level.

(d) The Production Campaign.

I will come back to the production drive later on. Since V.J. Day for the first time we have got the beginnings of a sound, universally accepted national economic policy. Instead of talking about gold standards and how to find something for the unemployed to do we are now talking about real things, such as how to make and distribute the maximum goods and services with our limited manpower. This question of greater output per person employed is fundamental. Just as bottlenecks in one place cause bottlenecks right down the line, so increased production—due to greater effort and more scientific methods—assists or stimulates greater production elsewhere. Even in the inter-war period productive efficiency rose by an average of about $1\frac{1}{2}$ per cent. a year. This was equivalent to a windfall of a million extra workers over four years. As production teams get settled and wartime lessons both in technique and in leadership can be applied right through industry, we should see a much bigger increase in output per person employed. We have barely yet scratched the surface of the opportunities of increased production which exist. We have, however, nearly got over the most difficult period of demobilisation, of releasing factories and other premises to civil industry, of retooling, retraining and rebuilding production teams. We have also gone far in refilling the pipe-line between factory and consumer which was drained after 1939. The dividend on all this will begin in the second year after V.J. Day, the year which we have just entered.

(e) Economic Planning.

I spoke on this at some length yesterday elsewhere and will not

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repeat what I said then, except to remind you that without the economic planning machinery which is being developed there will be no reasonable hope of maintaining stable economic conditions.

I have reminded you of the many varied and grave threats which faced us after V.J. Day and the Government strategy for countering them. Now let us look at the actual progress of production.

What is the general picture ?

First—a record of impressive output in many lines which should be enough to satisfy everyone that Britain can Make It. We want an all-out effort for greater production. But the reason we want it is not because of any general failure by both sides of industry to get down to the job. It is rather because the magnificent and encouraging record of the first year after V.J. Day shows what great things industry can do when the difficulties and discouragements of reconversion are left behind. Let us not be depressed by defeatists who harp on falling productivity and shortages. How can productivity soar and shortages disappear while millions of people are entering and learning new jobs, hampered at every stage by legacies of the war ? (On this, by the way, it is worth noting that the number of demobilised men not yet at work fell last month from 725,000 to 540,000 which means a further 180,000 added to productive strength.)

Second—the many-pronged attacks launched since V.J. Day against our stomachs by world famine, against our hearths and jobs by lack of fuel, against our shelter by lack of houses, against our clothing by textile bottlenecks, against our money by the danger of inflation, and against our supplies from abroad by our adverse balance of payments and against our morale by general shortages and fatigue—these attacks have not beaten down our defences. All have been held, often at heavy sacrifice, and some are visibly being repulsed. Our base for the counter-attack stands firm and our morale is high.

Third—the many shortages which still press so hardly on us are not all of the same kind. Many are due to war devastation or enforced neglect here and overseas. Food and raw materials are not being grown enough on the ravaged fields of Europe and south-east Asia. Damaged mines and factories and railways are a drag on the resumption of world trade and of supplies which we need from many countries. Until the damage and neglect are made good the flow of

The First Year (The Production Effort)

output will not recover. That is a physical, rather than a political problem.

Other types of shortage are due to lack of manpower, aggravated by the reluctance of workers to join industries which have fallen behind others because they were backward in peace or inessential in war on the scale of present requirements. This type of shortage is particularly difficult to bear, especially since it affects essential clothing, fuel and building materials. The leeway lost over several years cannot be made good in a month or two, but those industries which cannot meet requirements without more workers must be treated as a special and urgent problem by all concerned. Incidentally, America with its much greater resources and its free enterprise system is experiencing much the same troubles.

The third type of shortage is the shortage due to intense demand pressing on even a high level of supply—in fact boom conditions. That is in its way a healthy type of shortage and within limits we must get used to it. There never was and there cannot be for quite a time enough of everything to satisfy everyone. There only seemed to be surpluses because the failure to distribute purchasing power before the war was so tragic. Purchasing power in fact was shortage No. 1 of the pre-war economy, and employment was shortage No. 2. These shortages were so vast that they swamped all others. Now there is no shortage of purchasing power and only a localised shortage of jobs. Therefore all the other shortages are seen in true perspective and the only way to break them is by much more output. It is a truth which we must face that with the expansion and better distribution of purchasing power the country can have much more milk, or beer, or cigarettes, or steel, or electricity than before the war and still be desperately short of all these things. Industry and agriculture have been crying out for years for more demand. Now the challenge is for them to satisfy it.

Now a word about the Production Campaign, in which British newspapers have already taken, and I am sure will wish to go on taking, a valuable part. I can assure you that both industry and the Government Departments concerned have appreciated the good and faithful reporting which the newspapers have given the Production Conferences ; and, I would add, it shows good journalistic sense, because there is no news of such vital importance to the nation today as news

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of production and productivity. Success or failure in production will affect every reader of every newspaper in the land—upon its success depends their standard of living and their hopes for the future.

The Production Campaign was opened by the Prime Minister's Broadcast in March. It has consisted, in the main, of necessary foundation work in the way of conferences between employers and trade unionists.

Following the first two big conferences in Central Hall in March, there have been 22 conferences, each addressed by Cabinet Ministers, and attended by over 25,000 representatives of employers and workers.

The policy of the Government of increasing production has been endorsed by representatives of both sides of industry at the conferences. We must now begin to think as individuals along the same lines, and to help to bring this about we can rely upon employers and factory managers, trade union branches and shop stewards. They will need all the help we can give them—perhaps, above all, the help you can give them in the newspapers by reporting progress fairly and explaining how the statistics of progress fit into the economic pattern.

The General Plan

London, October 17th, 1946
To the Institute of Public Administration

WE talk a good deal in these days about planning, but planning is a very large and complicated business and Britain is the first great nation to attempt to combine large-scale economic and social planning with a full measure of individual rights and liberties. So far we are still at the experimental stage—indeed planning must never be rigid—but I will try to give you some idea how this experiment is shaping.

I will first try to outline what is meant by planning as we in Britain understand it. Then I will review the machinery and methods of planning, and finally I will say something about the current and future problems to which planning must find the answer.

Planning can be divided logically into five stages:

The *first*, without which none of the others can happen, is making up one's mind to plan and grasping what planning means.

The *second* is assembling the necessary facts and forecasts to make sure that the plan can be put on a sound practical basis.

The *third* stage is actually devising alternative plans and seeing what they each offer and what they each cost in terms of resources and disadvantages.

The *fourth* is the taking of decisions between alternative plans, including the decision what is to be planned and what is to be left unplanned.

The *fifth*, and by far the most extensive stage, is carrying out the plans in practice. This includes explaining them, adjusting them and

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devising all the necessary ways and means of ensuring that what was planned on paper does in fact happen at the right times and in the right places and in the right way.

I suggest that the first and vital stage was when the British people made up their minds to plan.

We sometimes need to remind ourselves that planning in the sense of deliberately using the main available national resources, in the endeavour to secure the good of the nation as a whole, is a very new thing. Until very recently the dominant idea was that it was unnecessary for the nation to know what its resources were and best not to attempt to control their use. That is still the view of a minority. Obviously while that view prevailed the necessary conditions for planning could not exist. Using a wartime parallel, the modern nation which is not prepared to plan is like a country which expects to win a war without mobilising for it.

Well, it is no less impossible to achieve social and economic well-being without planning and working for it. That really is obvious and it is time the obvious was accepted, even by people who prefer abstract dogma to the facing of plain facts. Unemployment and destitution were, in the main, the products of letting things drift—the muddled outcome of muddle. All our machinery and methods of planning are based on the express willingness of Parliament and of very large numbers of citizens in all areas and activities, to support and participate in social and economic planning, and to censure Ministers and public authorities if they plan wrongly or fail to plan when they ought. And let not the individual citizen forget that he has his responsibilities in planning no less than Ministers.

Given the will to plan, the next stage has been to ascertain and assemble facts. This process of fact finding is immensely complicated. In the past, government has made the worst of both worlds by demanding a mass of information which was only useful for limited purposes and did not fit together. The need now is for facts and figures to give all concerned—not only government—a clear up-to-date picture of what is happening with the minimum of effort. Before planning decisions can be taken we have to know what millions of business men, farmers, workers and others are making or growing or distributing. Statisticians have to ascertain how many people there are in the country, where they are, where they live, how many of them

The General Plan

are of working age, how many of them are employed, in what occupations and industries and grades and so forth.

In the same way information has to be compiled on the amount of fuel and raw material used in industry and the value of the products made and sold, together with the resulting earnings and profit. For many purposes the survey must be widened out to cover not only Britain but the world background. All this information has to be available promptly and adequately, so that any changes can be picked out without delay. On this basis forecasts are prepared of what will happen to production, to incomes, to employment and so forth if current trends continue.

All this corresponds to the work of Intelligence in the Armed Forces. In the peace-time machinery these facts are collected by Government Departments, public boards, local authorities, trade associations, trade unions and many other bodies and most of the key material is eventually funnelled into the Central Statistical Office, which is part of the Cabinet Office, created during the war to produce a systematic picture of what is taking place. The outline of this picture, so far as it relates to the past, can be seen by anyone who takes the trouble to get a copy of the *Monthly Digest of Statistics*, compiled by the Central Statistical Office and published by the Stationery Office about the end of each month. Much more detailed material is of course given in *The Board of Trade Journal*, *The Ministry of Labour Gazette* and other well-known sources. The wartime "statistical blackout" is a thing of the past; indeed we can claim to be well launched on a campaign for statistical floodlighting. I recommend these publications to you all, and to the careful study of the B.B.C. and of all newspaper offices.

Given the will to plan, and the necessary facts and forecasts, the process of planning in the strict sense can begin. This process consists of looking at the facts and forecasts and examining what are the possibilities of changing socially undesirable trends. So far we have been forced to concentrate so largely on pressing short-term problems that we have hardly begun to get the benefit of the scope which long-term planning will give for broad adjustments decided in advance.

Forecasts may show that an industry is likely to export more or less of its product than is considered desirable, after weighing the

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need for more exports to pay for our imports, against the urgent, natural and legitimate desire of consumers for more British goods to be kept in our own shops. Given that we have to export enough to earn a certain amount of foreign exchange, we may have the choice of earning more by exporting turbo-generators and keeping all the shirts we make at home, or alternatively of pushing exports of shirts and re-equipping our power stations with turbo-generators. The method we use here is for Departments representing all the main demands upon resources to put in their claims and see to what extent the claims conflict with one another. Where there is a direct conflict one or other claim has to give way.

Here we come to the fourth stage, that of taking decisions. Just as in war the military planners would, on instructions from the Chiefs of Staff, submit proposals for invading various enemy-held territories and the Chiefs of Staff would then advise Governments what was the most promising objective to go for first in view of the manpower, shipping and equipment available, so in the economic and social field, the staffs engaged on planning work out in consultation the various possibilities and try to point out the snags and advantages of each. On this basis Ministers decide on the strategy of the use of our national resources. For example, what size of Army, Navy and Air Force can we afford to or must we keep, what level must our exports reach and what claims must be cut down or postponed in order to keep the total demand on our resources within the limits of the resources available.

Here follows the most important and far-reaching stage of all, when Ministers, having made decisions for which they are prepared to take responsibility, come before Parliament and the nation and set in hand the task of carrying these decisions out.

The carrying out of economic plans is a job not simply for Government agencies, but for the whole nation. By informing the public of the trend of the economic situation, by making known the Government policies as to the best allocation of available resources, by promoting discussion of these matters and by revising estimates and forecasts from time to time, the Government can do much to shape the future course of economic affairs by ensuring that industry and agriculture shall be able to look further ahead with confidence and to form their expectations on explicit assumptions which can be tested and criticised

instead of on a vague hunch. Then the prospect of realizing the Government's plans will be seen to depend on a number of factors such as the Chancellor's annual budget, his control of credit policy through the nationalised Bank of England and his control of investment policy through the Capital Issues Committee and other channels. The extent to which Government Departments and nationalised boards can speed up or retard development plans is another very important factor in resisting tendencies towards inflation on the one hand or trade recession on the other.

To give another example, the control of industrial location exercised by the President of the Board of Trade through the Distribution of Industry Act and through Town and Country Planning enables the government to prevent industry from flocking to certain areas, with adverse social and economic effects, while masses of citizens in other areas are unemployed.

But when full account has been taken of all the instruments at the disposal of government the fulfilment or otherwise of the major part of economic plans is dependent on the actions of employers and workers generally. For that reason alone it would not be enough for the control by blind forces to be replaced by control by a few people sitting in Whitehall. Everyone must be encouraged and assisted to understand at least in outline the economic position of the nation, the aims of economic plans and the part which every citizen should play both in criticising those plans before they become operative and in carrying them through afterwards. In this way only can we ensure that we are developing a system of planning from the consumer end—and planning must be inspired from the consumer end if it is not to be bureaucratic and inefficient.

As we believe in a free society we must have the courage of our convictions and trust the people to achieve more by understanding and backing an agreed plan than other nations might achieve by carrying out under orders a plan dictated to them by their rulers. Do not let us be discouraged or confused by attempts to represent planning as the opposite of freedom. We in Britain stand for free planning and for planning as a means to fuller freedom. I am convinced that we shall get it.

There are, however, some difficult and rather intangible problems which range over a wide field. For example, there is the problem of

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manning-up the under-manned industries, and of levels of wages in conditions of full employment. The Government is therefore developing machinery for tripartite contacts between itself, organised employers and organised workers through the National Joint Advisory Council, which is convened by the Minister of Labour and will serve as a standing national industrial conference on matters affecting manpower in industry. The Government is also arranging for widespread publicity on the objectives and problems of economic planning, and particularly the inescapable fact that all the collective and individual elements in the British standard of living ultimately depend on productivity. The more productivity increases the more prosperous the nation will be and, from a planning point of view, the fewer difficult priority problems will arise and the more latitude can be left to the individual and to industry. No less is it true that if production falls or stagnates the cheques which the nation has already drawn on the future in the form of increased wages and salaries, reduced hours, increased social services and a higher school-leaving age, cannot be met. We need higher productivity even to make good our losses and to cover commitments already made. It will have to be higher still before additional commitments can safely be assumed.

In the cock-eyed economy of the 'thirties people used to imagine that the great problem was how to abolish unemployment; in the clearer light of the middle of the century we know that even full employment will not be enough—we must also secure a greater output of goods and services all round if we are going to have a decent standard of life and fair shares for all, coupled with adequate incentives for effort.

I would put this problem of increased productivity first among the current economic problems to which planning must help to find the answer. I think there is an answer although this is not the place to elaborate it. A second problem which I look to planning to solve is the organised extension of our national vision several years further ahead than we have been accustomed to look. You really cannot run a complicated modern civilisation on a basis where the whole machine is crazily accelerated for a few months and then has to swerve violently or be braked almost to a standstill because some perfectly foreseeable snag or fluctuation has not been foreseen and tackled in time.

We know approximately how many people there are going to be in

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this country at least five years ahead, and we can estimate within wider margins of error how many houses they are going to need at a given housing standard, how much clothing they are going to need as a decent minimum and how much food they are going to need if they are to be properly nourished. It would be foolish to suggest that we can forecast actual demand and supply, or to forget that knowing just what we don't know is itself a useful and important piece of knowledge.

On the other hand for some purposes useful decisions can be made on estimates which are known to be subject to a 30 or 50 per cent. variation in the out-turn, and in these cases it would be unjustifiable to refuse to make up our minds until we have everything worked out to two places of decimals. You may remember about the American officer before D-Day who could not restrain himself from telling a meeting: "Well, gentlemen, we may lose this war, but if we do we shall lose it statistically perfect!" Our job in winning the peace is to see that we make the figures tell us all they can as early as they can, and yet not to put more weight on each figure or forecast than it will bear.

How many people have considered just how much difference every improvement in forecasting and planning will make to business and to employment? Security of employment in modern business depends on successful forecasting of markets, profits depend very largely on increased turnover, which in turn depends on reduced costs, which in turn depends on the placing of large orders for long runs of standard products, instead of constantly chopping and changing with every economic breeze that blows.

I suggest to you that in a few years' time people looking back will be amazed to see how much was written about the restrictive and bureaucratic dangers of planning, and how little was understood about the part which planning could play in freeing employers and workers and farmers from the horrors of uncontrolled and unforeseen fluctuations, which might bankrupt honest men in all directions and leave workers lining the streets with despair in their hearts.

Closely related to this problem of pushing the horizon further ahead of us and giving us more time and elbow room to work in, is the problem of maintaining a reserve of orders for industry and of work for the workers, to free the nation of fears of uncontrollable

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recession. At present, there is a considerable excess of demand over available resources and the machinery which we are building up for looking ahead to see how the total demands match with the total resources is at present used as a means for achieving a more rational pruning of the demands, all of which cannot be met in total. But when the present period of acute shortage is over, we may be threatened again with a general decline in the total demands for goods and services, which, if uncontrolled, would bring with it again the evils of depression and mass unemployment. The same technique of looking ahead at the total available resources and the total demands which are likely to be made upon them should enable us to foresee the threat of such a general decline in demand in sufficient time to take adequate steps to offset it, at least in great measure.

We should have, and we will have soon, a long list of projects—buildings, roads, railways, afforestation schemes, ports, airfields, industrial plants, national parks, public buildings and so forth—all blue-printed and prepared, waiting for investment and manpower resources to be made available to carry them out. We are also preparing our plans for methods whereby the ordinary consumers' demand for goods and services can be stimulated in times when there is a general slackening off of demand and a consequent threat of unemployment.

It is the intention of the Government to ensure that, in times when our resources of men and capital would otherwise be idle or under-employed, a useful demand for their services is in fact found. The knowledge that there is a queue of deferred capital projects, and that there are devices at hand for maintaining or, if necessary, stimulating the ordinary citizen's demand for goods and services will, I think, have a marvellously heartening effect on industry. By failing to get future demands sorted out into definite projects and to take measures to maintain the general demand for goods and services, we have in the past imposed an enormous economic waste and an enormous burden of insecurity upon industry which can be removed.

I have no time to give further examples of the problems in front of planning, and indeed many of them will be familiar to you. I would simply like to emphasise that planning as it is taking shape in this country under our eyes is something new and constructively revolutionary which will, I think, be regarded in times to come as a

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contribution to civilisation as vital and as distinctively British as parliamentary democracy and the rule of law. Some people dogmatise about planning and say that planning is this and planning prevents that; my own view is that planning informed by the British political sense and the British resourcefulness will be something very different from what many of the writers and speakers have dreamed of. It will be something to which all of us can contribute and something from which we will all draw benefits.

After all, planning, though big and complicated, is not much more than applied commonsense.

Work and Incentives

Birmingham, October 26th, 1946

To a meeting organised by the West Midlands Regional Council of Labour

THE British Trades Union Congress at Brighton has been formulating what amounts to a revolutionary new stage in the relation between Trade Unions, Employers and the State. The Trade Unions have shown that they are capable of rising to the full extent of the responsibility which victory at the polls has laid on the workers of our country.

It seems to me time we all did a bit more thinking about work. Especially we of the Labour Party—the party of the workers—ought to be able to tell everyone just what the banner we carry means. What does work really mean in our lives? One good way to size up the part played by work is to see what happens in its absence. Men without work are men without purpose or self-respect. In the bad old times from which we are only just emerging, they were also men without food, or shelter, or security. We are now getting within sight of the practical achievement of a national minimum for all citizens, in sickness or health, employed or unemployed, and also, of course, their families who used to be victims of any misfortune to the bread-winners.

We can do all this in material terms—by securing maintenance of income—but what we cannot do is to give the non-worker, whatever his group or social class, a sense of purpose and self-respect. In fact, under full employment the nation needs all its manpower working to full capacity and people who are not prepared to work at all or not

enough are going to feel rather out of things. No good citizen will regret this development. Just as the nation needs manpower, so every man and woman needs a sense of being a useful contributor to society.

The British people have not even yet forgotten the Black Death of six hundred years ago (which, incidentally, led to one of the longest spells of labour shortage we have ever had in time of peace and to a lot of legislation to keep down wages and to tie workers to their jobs); nor will our people forget for many generations the Grey Death of unemployment and despair which plagued Britain during the 'twenties and 'thirties of this century. Whole towns died and lay like decaying unburied corpses on the face of England, Wales and Scotland, an unforgettable—a shameful—memorial to the selfishness, shortsightedness and inhumanity of those who were in effective control of Britain's economic destinies during those miserable decades. But the heaviest cross of all that the unemployed men had to bear was the feeling of not being wanted, not because he did not want to work, but because society could find no way to use his willing labour.

Why was it thought necessary to wait for a plague, or a war, to abolish the scourge of enforced idleness with its trail of want? Was our pre-war standard of living so high that we could afford the waste of unemployment?

The British people earned the admiration of the whole world for their outstanding restraint and sense of social responsibility in the war against Fascism. We can, if we will, give a lead to the confused and bewildered world in the new battle against unemployment and want. The fundamental issue is in what spirit we face our social and economic responsibilities. The result will be determined according to whether we face them inspired by sectional interests or with the sober sense of social responsibility which is the spirit of modern socialism. This is the lesson to be learned by all classes of the community and it applies to the people who voted socialist at the last election as much as to those who voted other ways—but particularly to those who voted socialist for it is no good voting for a socialist programme and turning our backs on the responsibility, the democratic responsibility, without which no social advance is possible.

The right to work has been won and the State—even under the Coalition Government of all parties—has acknowledged its duty to use all its power and efforts to ensure full employment. Strictly

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speaking, no Government, of course, can *guarantee* full employment. What this Government can and does promise, which no pre-war Government ever did, is not to let any vested interest or any economic superstition stand in the way of achieving full employment. That's the big difference between this Labour Government and its predecessors. If the fight against unemployment is conducted in that spirit we need not fear being unable to keep the upper hand of it, although here and there, from time to time, we may have a bit of a tussle. On behalf of the nation, this Government asserts the public right to control the big material things of social significance.

Here in Birmingham, fortunately, you were spared the worst bitterness of chronic mass unemployment which, through no fault of their own, overwhelmed the Welsh valleys, the Tyne and the Clyde. You have long been one of the great workshops of the world and have known the pride which goes with that.

This question of pride and satisfaction in work is becoming a very lively problem. We know that while work can be the most satisfying thing on earth it can also be one of the most dull and soul-destroying of all human activities. Why should not every job be satisfying? Of course, some jobs are dull in themselves, in fact, I suppose, nearly all jobs are dull for some of the time—even mine is!—and some tend to be dull nearly all the time, even the jobs which seem most dramatic at their high spots. War has been described as nine-tenths boredom and one-tenth terror, and those who took part in D-Day or air operations or in the Battle of Britain or in Civil Defence will know that is no over-statement. The high spots remain in the history books—the boredom goes unchronicled.

Some of the dullness, then, is in the nature of jobs and of people, but there is still a tremendous lot of needless dullness and frustration which we must tackle. Some jobs are rendered dull and frustrating because the worker is never told what his part of the process is for, and how it contributes to the larger purpose, nor given any opportunity to make useful suggestions for serious consideration, and adoption where they are good ones. Then there is a satisfaction in working as part of a team with others, and this is often neglected by working conditions which unnecessarily prevent or impoverish human contacts.

A man's best work comes from his certain knowledge that he is

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contributing to the good of his community, and that he will share the benefits with his neighbours. Our work today should be inspired and heartened by social purposes. There must be the adequate reward of proper living standards for all workers in industry, and we must ensure that increased production brings its rewards to all sections of the community.

We hear a lot about the profit motive and there is no question that a share in material advancement is a right and justifiable motive for anyone. There is no need to abolish the profit motive, but we must socialise it, and harness it to the larger interests of the community. I would say that the work of the profit motive in this country has been marred by three enormous abuses which must be corrected.

First, it has been used as an excuse for exploiting labour and treating workers as a commodity instead of as people. This must stop. It is not only ethically wrong, but economically unsound, as progressive employers now understand. The great pattern of constitutional safeguards for the worker which has been developed, particularly in recent years, is the workers' Magna Carta against oppression by the profit motive.

Second, the profit motive has been guilty of misdirecting the national resources into non-essential work. At a time when masses of Britons were living in slums without enough to eat, the profit motive was fostering a boom in luxury flats and dog-racing tracks and was keeping resources both of manpower and plant unemployed because operating them did not fit in with the system. This misdirection of resources is being remedied by planning.

The third great abuse has been the tendency of the profit motive to lead to agreements and trusts and cartels in industry for maintaining prices and reducing output instead of increasing output by real enterprise.

We are not out to abolish the profit motive, but we are determined to make it work for the people and not for the few. Those who complain that the profit motive is despised and its importance misunderstood have only themselves to blame if they do not recognise and honestly admit these abuses and assist in rooting them out. Only when they are rooted out and when the profit motive has been socialised will it be possible to speak of the profit motive as having an honourable part to play in society.

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Another great trouble is lack of confidence (often for good reason) that merit will be recognised. Just as we are taking steps by raising the school age next year under the Education Act, 1944, to help to equalise educational opportunity, so we must see that opportunities for promotion within industry are fairly given. One of the curses of British industry and a great source of inefficiency—I am not making any sweeping or general accusations—has been nepotism (the giving of jobs to relatives and friends and acquaintances of the directors and managers), while men and women of equal or greater merit lower down in the firm are deprived of promotion. No industry—and I care not whether it is private industry or public corporation industry—can justify giving appointments on anything else but merit. This principle which has been enforced in the Armed Forces and the public service for many years must come to be accepted in private as well as in public service.

Another trouble has been insecurity and the tendency to throw people out callously for no other reason than that they have been injured (perhaps in the performance of a dangerous industrial job), or that they have reached an age when they are thought to be less useful or are suffering from disease contracted in the course of their work. Of course, managements which tried to go on acting in that way would now find much more difficulty in recruiting than in the old days when there was a queue of unemployed to take the place of anyone who was fired.

Managements must recognise, as progressive managements of course do, that labour is not a commodity, but a service. The worker is not (to use the old bad jargon) merely a “hand” or even merely a “brain,” but a responsible citizen contributing his share of the service by which all citizens live. When we look back only a few years and remember how a worker like a miner at the coal face with his skill and courage could be regarded as a low form of life by parasites not fit to lick his boots we can see what a change in values is taking place.

I come now to the responsibilities of the worker himself to society, and I shall be grateful if no newspaper will divorce this part of my speech from what I have said in the earlier part.

The new status of the worker involves social duties as well as social rights. Take unemployment pay. How long is a worker who has been doing some particular job and becomes unemployed entitled to live

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on the contributions of his fellow-workers rather than take another kind of job under proper conditions or a job in another place, especially now when the Government is taking such steps as are practicable to divert industries to places where unemployment exists? Obviously skill is an asset so long as there is a useful place to apply it, but in this changing world many skills will become obsolete and those who have them will have a social duty to adapt themselves and acquire new skills rather than expect the world to stand still in order to save them the trouble.

Again, as I said earlier, it is right that the State should provide a minimum standard of life for all citizens whether in or out of work, and that the wage of a man in any industry should be enough to support himself and his family at a minimum decent level, but above that level—if we are to have more goods and services all round—there must be a maximum incentive for extra effort and extra merit. Too much levelling up may mean too much levelling down, and too much levelling down means less steam behind economic expansion and less goods and services for all.

There are too many drags and brakes on production. There is a vast amount to be done in studying how payments relating to merit can be reconciled with the right minimum levels of earnings and the right blend of team incentive and individual incentive. And it is right and proper that the Trade Unions should share—indeed should lead—in studying these problems. I suggest that the right answer is that which lets no man, willing and able to work, fall below the decent minimum and which gives the maximum and fairest opportunities for all to rise above it as far as their extra contribution to the community will justify. Anyway, it is all well worthy of study. This goes, of course, for managers as well as workers.

The Government is ensuring minimum standards and is taxing the higher incomes pretty severely in order to support these standards. This kind of redistribution is one which must be dealt with by the Government responsible to Parliament which has the mandate from the people. But if workers in particular private industries get it into their heads that the boss is making too much money and that the way to cure it is by going slow, they are liable to sabotage the effort of their fellow-workers in other industries, both privately and publicly—

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owned. It is for Government and Parliament to concern themselves with the "boss's profits".

Parliament is nationalising those industries which in its view and on the authority of the people ought to be nationalised. But a very large part of industry is not being nationalised and it is just as much an economic offence against the social interests of the nation to go slow and to cripple production in any way in those private industries as it is in the nationalised ones. In the same way, wherever industries are in private hands their managements ought to be supported in taking all reasonable steps to secure more production which must be for the benefit of the nation. By all means let us criticise them and keep them in order, and let the Trade Unions safeguard the legitimate interests of their members. That is essential. In the wider sense, however, let us do it by the constitutional means which exist or are being developed between the Trade Unions and the employers and the State, under the auspices of the National Joint Advisory Council which represents all three.

The old order in industry is changing. Nationalisation, great achievement as it is for the workers, is only part of the vast new industrial revolution which is taking place under our eyes. I hope we will see this revolution march quickly and smoothly and peacefully as British revolutions should, and that looking back in a few years' time, managements as well as workers will see the working conditions of say ten years back as something no less barbarous and no less thoroughly buried in the past than the feudal system.

The Second Year

Margate, May 28th, 1947
To the Labour Party Conference

A YEAR or so ago, the manpower problem was thought to be mainly a problem of not having enough pairs of human hands to go round. Our very grave difficulties this year have reminded us all that manpower is a problem of power as much as of men.

Why is the standard of living in Great Britain far higher than in China? Because, of course, our output per head is far greater. Each of us can consume more because each of us, on the average, produces more. How do we do it? Not by superior personal skill—there might be some argument about that, for the Chinese are a highly gifted race of craftsmen. We do it because we have built up a greater system of machine production that enables us to produce ten, twenty, thirty, fifty times as much in a day as we could otherwise do. A train, a crane, a mine, the machinery in it, an electric power plant, a port, a trading estate, a jet engine, a loom—all these things, good, bad, or indifferent, are tools multiplying the productive power of our hands. The business of Socialists and Trade Unionists is to see that they are put to the best use for the common good of our country. On their efficiency depends our productive power as a nation and our standard of living as individuals. We are richer than the Chinese because we have made ourselves better tools than they. But we are poorer than we ought to be, and want to be, because our tools are not good enough.

It may help to keep things in perspective if we remember that our main long-term task, the thing we are really aiming to do with all our

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planning and contriving, all our austerity and sacrifice, is to improve the productive resources of our country as quickly as we can—to get ourselves tools as good as they can be.

Nowadays, we hear a good deal about differences between ourselves and the Russians. It may not be a bad thing to remember some of the likenesses between their economic position and ours. It may help us to see our own problems in better perspective and to have a bit more understanding of theirs. Their problem is vastly tougher than ours. They have been stripped and devastated more cruelly than ever before even in their cruel history. We were very badly knocked about, and much housing was lost, but we emerged with most of our productive plant and industrial buildings intact—though badly run down and a considerable amount of damage done. Even apart from the war, the Russians would still have a great way to go—though they have gone a long way—to make themselves into a fully-equipped, modern, industrial nation after centuries of backwardness and peasant serfdom; we have the troublesome but relatively light task of making good a mere thirty or forty years of slowing down in our industrial progress, and a fair amount of restrictionism and bad management.

There are great differences in degree, but in kind the two national problems are the same. Both of us have to draw our belts a bit tighter today, in order to build up and consolidate our power to achieve a high standard of living tomorrow. Incidentally, the Russians have been doing that with their eyes open for nineteen years—a point we might remember at those moments when our own road seems particularly long and rocky. There is here something for us to learn, though our problem is easier our ordeal can be much shorter, and I believe our democratic methods will end by standing up to any comparisons with totalitarian systems.

Many of our own short-term problems have to be tackled as we go along. The dislocation of our economy by the war means that we cannot yet measure up just how some things will shape up—just how they will ultimately go.

We must remember too that many of the factors which have a profound influence on our own internal planning are wholly or partly outside our control; they depend on what happens in other lands.

The world food shortages, which keep our British diet down and

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make it more costly to the nation, are short term in nature and nothing to do with our plan.

We have some temporary consumer goods shortages, for example in clothing which could be met if we had another few score thousand men and women in our cotton and woollen mills.

We are very short of foreign exchange because, for various reasons, we cannot yet export enough to pay for what we must import and are having to live on credit and live rather hardly at that.

This is our most pressing and urgent immediate problem—to marshal our resources in such a manner that we can bridge the gap in our overseas payment.

In 1944 we had to bridge another gap—the English Channel. All our resources were deployed in the immense operation of getting a foothold on the coast of Normandy. We have to do much the same thing now in the economic battlefield. The whole of our planning flows from that central requirement.

What I want to stress is that all these short-term problems, in one way or another, have a long-term aspect which is concerned with our general task of “tooling up.” It is then very important that we should understand the general objective towards which we are all moving. It is wider than the export target. It is wider than the manpower target. It is the objective of increasing our productive equipment, of giving ourselves more electrical horses and mechanical robots; more scientific and efficient machinery; better tools. If we keep this in our minds, it will help us to realise that we are not simply treading an endless, aimless road of sacrifice and austerity, but are in fact moving purposefully towards a reasonable, practicable objective which we can all accept as really worth working and waiting for; from the benefits of which we must see to it that the masses get their proper share.

The objective is one that can be reached, and we are going to reach it. Whether sooner or later, whether comparatively easily or very painfully, is a question that only the people of the country themselves can answer. What answer are they going to give? I want to talk plainly to each of the main groups in our community: this job needs the help and co-operation of all.

There are some sections of the community which are being pretty severely tested at this moment. It won't do us any harm to remember

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that, and to show a little understanding, without in the slightest degree departing from our convictions about our national policy and the objective we are going to achieve. Of the employing class we are asking that they should do more than bow to the inevitability of controls and planning. We are asking that they should co-operate with understanding, and even I would say with enthusiasm, in a national plan of a kind with which it is not always very easy for them to sympathise. We are asking them to run their businesses within much narrower limits of discretion than those which they have been used to and for a net reward which, in real spendable terms, is less than they have been accustomed to. Some of them are co-operating with a fine and patriotic understanding. More still will, I hope, do so.

Of the managers and technicians in industry we are asking something else, also very difficult in its way. We are asking not so much a change of loyalties but a development and a deepening of their allegiance, so that they think of themselves first and foremost as servants of the community, and of their work for their own firms or institutions, private or public, as being done for the nation as a whole. They too are being asked to devote their brains and skill and experience to the common task for rewards which, after taxation and in terms of what they can buy, are, for the time being, worth a good bit less than formerly.

And that brings me to the position of the whole of the so-called middle class which has, for some time past, been experiencing a painful and difficult reduction in its living standards. I know very well that their incomes are often (though not always) higher than those of workpeople. But after all it isn't any easier for anyone to do without all sorts of comforts, services and amenities to which they have been accustomed for many years and on which they have come to look almost as their right. Many of them voted for us two years ago, but whether they did or not, if they stand the strain today, with no undue grouching but with patience and understanding, then they are our partners in the great social enterprise on which we have embarked. I would say to them: ours is far more than a sectional policy; it represents the long-term interest of all the constructive elements in the community—yours included. It will in due time offer to every worker, by hand or brain, to every useful member of every so-called class in the community, opportunities of service, of achieve-

ment, of personal satisfaction, and of joyful co-operative work, such as they have never known before.

Just one word, in rather a different vein, about another group—the drones. It is a blot on our national life that there should be, in this crisis of production, a fair number of “useless mouths” and still worse, people engaged in activities which are a hindrance to the national effort or, in some instances, definitely anti-social. We have no hands and brains to waste, and no resources to fritter away on those who don’t contribute to our common effort. Let us point the finger of public scorn at such parasites who make themselves comfortable at the expense of the whole community.

Now, having uttered what I hope are words of wisdom and good counsel to employers and management, let me try to do the same in respect of my fellow Trade Unionists, so well represented in this great Conference. I do it, perhaps, rather in the light of my Ministerial knowledge than as a member of the Party Executive. I shall not say what I have to say with a view to courting popularity but out of a deep and sincere sense of duty to that Labour and Socialist Cause to which I have devoted the greater part of my life, and with no greater wish than to further the permanent well-being of the working class in which I was born and to which I am proud to belong. I would like first to take a look at what we, of the Labour Movement, have already achieved; what the rank and file workers of the country have already got.

The first point is an intangible one and yet, in a way, it is the most important achievement of all. Only forty years ago this was a completely class-ridden country, and everyone, including the bulk of the working class, accepted this as a law of nature. Today we have got a widespread national acceptance of the goal of social equality and economic democracy as the right and proper goal for our country to set before itself. This is so big an achievement that we are apt to miss it altogether. But it is there—and it counts.

Besides that, we have got far more of the actual substance of social and economic equality than ever before. I know very well that there are still great inequalities and some bad examples of luxury spending even in our austere community today. But the fact remains that the 90 per cent. of our people who have the lower incomes command 67 per cent. of our total national purchasing power today as compared with 55 per cent. before the war. That is, their share has risen by one-

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fifth in a few years—by one-fifth. It is a striking change—it's big and real, and it isn't going to be reversed.

Then again, the working people of the country, people who get the jobs done, using hand and brain alike, occupy a position of much greater social importance and prestige in the community than ever before. You see this change at its most conspicuous and dramatic in the case of the coal miner, whom we all now know to be, and who knows himself to be one of the most valuable men in the community. But the same sort of change is going on in all sorts of other directions too, and it will continue.

Again, we have a great social security scheme; we have a decent minimum standard of living as an accepted part of national policy. We are to have a National Health Service reaching new standards of comprehensiveness and efficiency; we have children's allowances and we have a wider and more real educational opportunity for our children than ever before in our history.

We have a great and responsible share in the political life of the community—a share which will increase, rightly and inevitably, if we play our part with wisdom and breadth of mind.

We need not be ashamed to count our blessings, because they are blessings not only for a section of the community, but in the long run, for the community as a whole. They are the fruits of a right and just struggle in which you and I have been proud to play our part.

But, like other blessings, when they come they do not come automatically and for ever. We have to think and work and fight to keep them and enlarge them, as we worked and fought to get them. Now, the fight is not so much against those who may be consciously planning to take them away, but against forces and tendencies in all groups and all parties, which would rob us of them if we were not thoughtful and on the alert.

What are the conditions of keeping and increasing our blessings? What are the dangers against which we have to guard as we go on our way?

Well, the first danger is to rest a bit on our oars. At this time it just won't do. At the end of that is decline and bankruptcy. We've got to turn out the goods—or bust. In Britain today the battle for Socialism is the battle for production. Anything that delays or lessens production is a blow in the face for the organised workers and their cause.

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Today any *avoidable* strike—whether caused by employers or workers—is sabotage; and an unofficial strike is sabotage with violence to the body of the Labour Movement itself.

The second danger is to snatch at our objectives too fast. It isn't enough to know what we want—we've got to know the right way to get it so that we'll be able to keep it. It's a silly thing to do, to start adding to the comforts and luxuries of your house before you've got the roof on and made it rain-tight. Higher wages and lower hours before the goods are there to be bought—that's far worse than useless. They give no more real income and, by inflation and financial strain, they may wreck the whole structure we are trying to build. A reasonable sense of urgency is all right, but if we try to reap rewards we have not yet earned we shall cause chaos and confusion in which our own people will be the worst sufferers. Believe me, there's little or no more to be got towards a better standard of living by squeezing the incomes of the rich. The Chancellor of the Exchequer has had a good look round! From now on what we get in social benefits and higher wages we shall, broadly speaking, have to earn by higher production—more effort, better management, better tools. We cannot live indefinitely on overdrafts without heading into an economic and financial smash. And that would damage the workers and smash the Labour Party. Let there be no illusion about that.

The third danger would be lack of a sense of positive responsibility to our job. We should be ready to take part, along with management, in joint consultation at all levels of production. So should management be likewise ready. It's no use shouting or passing resolutions about a share in management unless we make good our claim by steady constructive effort and responsible thinking at all stages. There are more kinds of management problems than those that face the Board of Directors. There are a hundred ways in which the workers can contribute directly not only to the improvement of their own conditions and the smoothing out of difficulties, but to the more harmonious and efficient running of the wheels of production. In this sort of collaboration are the roots of genuine industrial democracy.

These then are the three main conditions of success—every effort for maximum output in the short term; a good sense of timing and of what is possible in putting forward our economic demands; and a sense of responsibility as participants in the work of production.

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It's nearly half a century now since the Labour Movement began its struggle for social justice. It has been a great fight, an inspiring one, and the thing that made it great was—unity. We've stood together against all the power of wealth and privilege, power that's been pretty ruthlessly used at times. We began as a handful, and now we are an army of millions; we began as a band of pioneers, now we are the bulk of the people.

Success brings a new task; we have to keep our unity in power as we kept it in the struggle for power. We have to act like leaders in this hour when authority is in our hands. We must not split apart and quarrel among ourselves; we must show our country and all its people an example of solidarity and of purpose. That is a lead to which they will respond. We must win their response, all these friends outside our own ranks, and we must do it not by appeasement but by leadership, not by abandoning our ideals but by providing them practical and workable, not by compromise but by conviction.

We are in a dark patch just now; our Government and our Movement will be judged by its power to lead the country through. We can do it. Let this great Conference, in full unity, send out a message to the whole nation. Let us say: The task today is hard, but we have our plan and our purpose, and our purpose is yours. Work with us, in unity, in patience, in endurance, and in hope. Together we shall win through to a better day than any our country has yet known.

The Socialist Principle

London, June 19th, 1947

To a Conference of Labour Mayors and ex-Mayors

IT can, I think, be fairly claimed by the Labour Government which came into office in 1945 that they were the first Government which made serious efforts to organise a legislative and administrative programme on the basis of their considered needs of the nation and in accordance with a coherent political and economic philosophy. Previous Governments, it would be fair to say—in which I fear I must include the two minority Labour Governments of 1924 and 1929-31—had evolved their legislative and administrative activities too much on an “as and when” and “catch as catch can” basis.

It is doubtful how far anybody looked at these programmes of activity as a whole, either from the point of view of national priorities or in accordance with an overall conception of political policy. Quite apart from merit, the organisation of the legislative programme was poorly done. With some notable exceptions such as the Local Government Bill and the Local Government (Scotland) Bill of 1928-29, and the Government of India Act of 1935, the tendency was in large part for the drafting of legislation to be instituted after the King's Speech had been determined; though, no doubt, the heads of some Bills were worked out in advance, and some of them may have been carry-overs of the hopes of a previous Parliamentary Session.

The reason for this lack of organisation of the legislative programme, which in itself was a sign of administrative incompetence, was that there was lacking that overall conception of the national need

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to which I have referred. So Bills were thrown up in a disconnected way according to the ideas and pressures of the moment. There was little relationship between the various measures. There was a loss of Parliamentary time because of the fact that Bills were not ready for the early part of the Session. The present Government have sought to avoid this by better organisation of the legislative programme. Soon after we took office we decided that, subject to contingencies, we would decide fairly early in one Session the provisional programme for the following Parliamentary Session. Departments are then told to prepare instructions for Parliamentary Counsel so that the work of drafting many of the Bills for the new Session can start well before the end of the current Session. These Bills are then ready for presentation as soon as the new Session begins.

As time has gone on the organisation in this respect has steadily improved, and you can take it from me that the principal measures for next Session were decided upon some time ago, that the process of setting out the heads of Bills is well under way and that some of the legislative drafting has already begun. By this means we shall expect to achieve a more even and steady flow of legislative activity over the whole of the Session. One of the main reasons for this not having been done before is that previous Governments really did believe in the "hand to mouth" method of legislation, many of them following the doctrine of the "less legislation the better". They had no real faith in Parliament as the lively servant of the needs of the nation.

Good organisation is proving to be an important contributory factor in the increased working capacity of Parliament. In this matter I myself learnt much from my London County Council experience—at County Hall we planned our three-year programmes, including finance.

Behind our various measures what is the broad point of view and what is the purpose? It is the Co-operative and Socialist conception that the function of both national and local government is to use the State and the Municipality to do things collectively for the individual citizens which are in themselves beneficial, and which individuals could not well do for themselves. Let me give a simple illustration of this point of view.

If each individual citizen of our towns was to construct and main-

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tain that portion of the pavement and carriageway outside his house, we should face him with an impossible task, and our pavements and highways would be very patchy affairs. So we have created Local Authorities among whose duties is the construction and maintenance of highways. That is to say, experience has taught us that if we leave such matters to individual householders, either the job would not be done at all, or it would be done in a very patchy and uncertain manner.

We have created Local Authorities through which we do for ourselves collectively things of that kind which we could not successfully achieve if we acted individually. Here, unrealised though it is by ninety-nine people out of a hundred, is the essence of the Socialist and Co-operative idea which is behind, not only those simple and accepted activities of civic administration, but which is also at the basis of the policy of His Majesty's Government.

It is, therefore, the case that there are fairly common fundamentals underlying the more noticeable parts of the Government's legislative programme, whether they be in relation to social security, economic and financial policy, planning, or socialisation of industry. And the real argument about these efforts should be directed towards proving or disproving that they are activities which legitimately and properly involve collective effort for the common well-being which could not well be achieved by the individual citizens acting by and for themselves.

Let us, therefore, examine the Socialist idea behind it all. In the field of Social Security, the Labour Government has to its credit the great National Insurance Act—a universal insurance scheme to provide unemployment benefit, help in sickness and retirement, widows' pensions, and financial help to mothers. Both the National Insurance Act, and the new Industrial Injuries Act—which latter aids the casualties of industry—will be in full operation next year, and already Old Age Pensions have been substantially increased. Some two and a half million mothers are now drawing Family Allowances, and there has been carried out a welcome revision of War Pensions.

In this great work Labour has gone to the root of healthy citizenship. The citizen cannot adequately protect himself and his family by his own unaided effort. He must combine. Alone he risks collapse; but he can, by co-operating and by creating a fund, protect his family and his dependants from poverty and want. Through Friendly

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Societies and Insurance Companies much was being done by co-operative effort and private enterprise, but this service is vital and essential to the well-being of the nation and, we believe, should be conducted on the widest, most economical and most responsible basis. It is a job for the people themselves, acting through Parliament.

So, too, it is true that the nation's Health Services could only be properly co-ordinated and fully expanded by collective action. Many of our Health Services were good and efficient, many were, and are, doing honourable and valuable work; but no one will deny that there is room for development. Surely no one will deny the need to help our great hospitals out of their financial straits, to remove from their fine public service the stigma and indignity of cold charity. Moreover, of the specialists and the highly expert people—although I think they reached a high level in the case of the L.C.C. administration—it could not be said that they were sufficiently available to ordinary citizens all over the country.

Again it is true that the controls of our national economy and national finance must, to be successful, be positive, be planned for common service, and be programmed to do for the nation and for industry what the people and industry cannot do from their own individual strength. And don't let it be assumed that all controls are negative. It isn't a case of saying "find out what so and so is doing, and stop him!" Rather is it "make sure what so and so asks for is in the public interest, and help him". In economic and financial controls, we aim to stimulate the things to happen in the way they ought to happen, to stimulate good and wise action, to encourage everything which, in the long run, will help us to prosperity and a good life and to deter whatever is unfair, anti-social or wasteful of our common effort.

Of course we could let things rip and let everybody do as they liked. If we did, something would happen it is true; but a lot of people would get needlessly hurt. So we evolve controls and correctives which we sometimes work by law, and sometimes work by voluntary agreement with private industry. If voluntary agreement is effective, I like it well enough. It's O.K. by me! This again is a question of the community protecting and advantaging itself collectively in a way that could not be achieved if the whole was left to individual action.

We must look ahead, plan ahead. Sound economic and financial

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planning and the careful carrying out of the plan by controls and guidance are a help to industry, for industry can then make its own plans inside the framework of national advancement. So, as far ahead as we can see, we are planning our economic affairs; so, too, the Chancellor of the Exchequer introduces his Financial Budgets as part of a long-term development in financial stability; so, too, it is our earnest endeavour to see that the nation knows what it is aiming at and that all are aware of our common strength and common purpose.

By nationalising the Bank of England the nation took its rightful place at the centre of influence of its financial and economic affairs. This leads me to the question of socialisation in general, and here again we find in operation the same idea. Individuals and private companies no less than public industry require certain public utilities and services to be at their disposal.

It would be uneconomic, for example, for each individual to provide all the forms of transport that he may require for himself and his goods, even though many individuals may afford a private car and many traders may carry their own goods in their own vehicles. We need a transportation system, as efficient and economical as possible, and at the service of all.

It will have to be done by some organisation putting itself at the service of the rest, and in a sense doing for us collectively what we cannot do individually, whether it be a main line railway or passenger or goods road transport service, civil aviation, or any other form of transportation. The only question here is whether such services should be organised as a public service for the common good, or whether it should be organised by private companies for the primary purpose of achieving a profit for its owners. The former principle has been affirmed by a great majority in the House of Commons. We shall in due course see what is done about it by the House of Lords. And according to what the Lords do we shall have to consider our future constitutional policy.

After the sharp experience of recent months, it is obvious that the whole question of fuel and power is of such importance to our domestic comfort and our industrial efficiency that it cannot be separated from our national and collective interests. The lives and livings of every one of us are bound up with the supply of coal and the provision of gas or electricity. Neither, indeed, is it wise to separate

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in our minds the three industries, or to consider their future apart from the overall public interest or from a national fuel and power policy. Coal already belongs to the nation, and we are seeing a great change in the pits, a great impetus from the self-respect which naturally follows the acceptance of public responsibility. We have rescued our coal and placed it at the service of the nation.

So, when the nation harnesses the supply of electricity to the needs of the nation we can look forward to doing away with all the confusion of varying currents, fittings, and charges of the present six hundred undertakings; to making sure that development is not guided by profits, but by the needs of our homes and factories; to taking power and light to the countryside and the farms which private enterprise has so often neglected—neglected quite logically because on the whole their interest is primarily in making good profits, and only indirectly in relating the supply to national purpose.

There are about a thousand local gas undertakings, many of them far too small to achieve full efficiency. This can be remedied by collective action, and again this is where the nation can serve its own interests by doing collectively what individuals and small groups cannot well do for themselves.

I believe that Britain has a great future in flying. She has no reason to be ashamed of her past. If we can do in peace as well as we did in war, if, by common purpose, our engineers and flying men can make a contribution to the success of British Civil Aviation as they did to victory in war, then we shall in time have built a proud asset both to national prosperity and world peace. It is in the interest of British Civil Aviation to let our men go ahead in world competition, meeting competition in front and not behind their backs.

And here let me say that I am no opponent of healthy competition. I enjoy it. Indeed within socialised industries we must go out of our way to stimulate and preserve healthy competition and lively emulation. Socialised industries must not be a happy hunting ground for the go-slows, for the dunderheads, for people on the look-out for a Utopia of idleness. But I do say that you can't run a country, or an industry, on competition alone. You need co-operation, too. We've heard too much about "nature, red in tooth and claw". There is a lot of friendliness and co-operation in nature, even in the jungle, and the human race would not have advanced to where it is now if it had not

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~~relied more~~ on co-operation than on conflict. And anyway capitalism itself has been making great efforts to eliminate competition.

Iron and steel is a case in point. The British Iron and Steel Federation has become an increasingly powerful private economic organisation exercising considerable influence over the constituent undertakings and putting a sharp check on such competition as it regards as desirable.

It is admitted on all hands—even by the Federation and the Conservative Party—that the State must play a real part in the control of the iron and steel industry. It is agreed by us that the legislation in respect of this industry—complex, commercial and having import and export aspects—will not follow the exact pattern of the other Bills dealing with the reorganisation of industry. What is clear and what must be accepted is that the great basic industry of iron and steel must serve the economic needs of the nation and of the industries for which it supplies vital raw materials.

The human race has a long way to go yet. Individually we cannot do enough, though individual effort matters enormously. Together we can, quite literally, move mountains. We can bring into the service of our civilisation great forces and great resources—if we act collectively.

That is the wider and more virile idea and conception of citizenship behind the Socialist idea and the programme of the Labour Party. That is the background to our belief in certain forms of national ownership and control—not only do we ask ourselves what benefits collective effort can bring us: we also, by the same token, look for what we can ourselves add to the common effort and to the common good.

So you see, there is underlying the work of this great Parliament a common philosophy of public service. The modern, rational Socialist Idea is behind it all.

The Third Year

Scarborough, May 18th, 1948
To the Labour Party Conference

J U S T three years ago the historic election campaign of 1945 was beginning. The choice before the nation was whether to go back as nearly as possible towards the unplanned private enterprise system of prewar days, or whether to go forward as far as possible on a bold journey into the future—towards more socialism, more planning and more interdependence between people in this country and also between the nations of the world.

The voters decided resoundingly in favour of a programme of orderly revolution in the British social and economic fabric. The result of their decision, and of the aftermath of war, was to pass to this Parliament the biggest mass of problems that any Parliament has ever had to tackle, and to pass to the Government an even vaster mass of administrative responsibilities. It was inevitable in this stage that the citizen should often find himself waiting for Government decisions and the passing of legislation before all sorts of necessary things could be attempted. It was a time of great discomfort, fatigue, shortages and dislocation in which the citizen, however he might grumble, was not sorry to be able to leave to Ministers, administrators and Members of Parliament the main burden of helping the country on to its feet again.

This postwar transition stage is now passing. Parliament has done its job. No one can say that this Parliament has failed to pass through expeditiously and in large volume—and I would say with very few mistakes—the legislation which the electors expected of it. Rightly

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we have a large part of our programme on the Statute Book of this Parliament. But legislation is only one stage, and Parliament having done its part the ball is now passed back to the citizen. It is the citizen's task to match the new legislation with a new spirit and a new effort.

There is no virtue in passing Acts of Parliament and in setting up new organisations except to enable the people to create more wealth and more happiness under the powers and with the resources that have been given. A time comes, as we know, in war when headlong advance must be followed by detailed consolidation, and by exploiting the territory that has been gained. That is the stage which we are now reaching, and if we go on always stretching our hands out for more and not making good the gains we have claimed, only disaster can follow. The test now must be the test of results. We have swept away the Charity and Poor Law State and established the Social Security State, but the Social Security State cannot endure unless it is also a State of Social Responsibility.

Vast cheques have been drawn on our future national resources in the confidence that the inspiration and incentive of these advances will lead to the increase of national production, which is essential if the cheques that have been drawn are to be met. We have no hope of meeting those cheques unless we produce a lot more than we are doing at present, and there is no good reason why we should not produce more. We must be careful not to under-estimate the bill we have to meet. Don't let us think that we can meet this bill as a whole simply by squeezing the capitalists further, or by any short cut other than producing more both to sell abroad and for our own needs. These things can only be paid for by increased and more efficient production, and I would emphasize that we shall only be able to sell abroad by producing the right things at the right price. Every extra effort and extra output will mean more education for the children, more beds in our hospitals and more and better homes. We cannot have those things unless we get output up and costs down, and we cannot do that without drastic changes in our habits of thought and our methods of work.

I am appalled to find how much conservatism there is in the world and I don't mean only the type which is spelt with a large "C." We have started a peaceful revolution and while we can be proud of what

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has been done we must remember that we cannot sit down on a revolution any more than we can sit down on bayonets. We are getting to that very perilous stage in which previous revolutions have sometimes foundered, when the ideals set out in words in the programme have been given the force of law, and the framework has been set up to carry them out. At that stage comes the test whether the ideals and purposes which were enshrined in legislation are to become a living reality, or whether human imperfections will convert the dream of the reformers into just another bit of bureaucratic routine.

It has been our task in the Labour Movement for as long as most of us can remember to act as missionaries in convincing the country of the need for these changes, to mobilize the electors in their favour and, since the election, to steady public opinion and maintain the support of the Government while the changes were being discussed and adopted by Parliament. That task has been successfully done and we are now no longer just missionaries trying to persuade the nation to do things, but responsible leaders trying to run our national affairs so as to attain the best and fullest results.

Most of us must sometimes have felt worried to see how slowly the nation was facing new and unpleasant facts, but are we sure that we in the Labour Movement have really adapted ourselves to our new role in the nation? Are we looking forward enough? Are we clearing the cobwebs out of our own thinking and letting the daylight and fresh air in? Are we growing into a modern scientific, socialist movement of high public spirit, or are we still looking backwards and clinging to past habits which no longer make sense?

These are questions which we must ask ourselves without flinching and which we must answer honestly. If we don't give ourselves the answer now, the electors, when the time comes for them to judge our performance, may give us an answer in brutal and unpleasant terms. They will judge us not only on the record of what we have done, but on whether they are satisfied that we know what time of day it is and that we are ready to follow through and to tackle new problems with energy, with vision and above all with a practical grip on realities. Let us, therefore, face the future and try to see what it holds. The ideas and ideals of the past have proved their worth and have up to a point, like the ideals of the Liberals before us, been tacitly accepted by all parties. The legislative and administrative achievements of the

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past three years have been immense, but no one is going to give us credit for past deeds unless they feel sure that we are capable of tackling what is ahead as well as what is behind.

Socialism has always aimed at an abundance of goods and services, but past Socialists have sometimes been so preoccupied with the immense problems of securing a *fair distribution* that they have not tackled in detail the equally immense problem of securing *full production*. Now that we have got so far in the direction of fair shares and now that we have overcome some of the worst immediate legacies of war we must really get down more vigorously to the problem of producing plenty. We, after all, are the Party of the producers, the consumers, the useful people. We are not content just to go on measuring out fair shares of scarcity.

In my early days Socialists used to say—I wouldn't be surprised if I did!—that capitalism had solved the problem of production and socialism would solve that of distribution. The first part of the slogan was too innocent, for capitalism has not solved the problem of production. During the past twenty years, and especially since the war, one investigation and inquest after another has demonstrated an alarming degree of incompetence, lack of human understanding, waste and lack of enterprise in some of our industries. Well-informed visitors from America and elsewhere, who are far from critical of private enterprise, have been appalled to see how many of our works had been allowed to fall behind in their buildings, their equipment and their standards of management as compared with the best plants in this and in other countries.

Whether we have looked at coalmining or steel or cotton or large parts of the engineering industries, we have found modernisation years overdue, a failure to design and produce the necessary new equipment, a failure to develop a modern system of pricing and of payment for work done and a failure to cope with most of the problems which managements of more modern industries have successfully faced. There are, of course, many honourable exceptions, but one working party and investigation after another has produced a damaging succession of revelations of incapacity and inefficiency.

These revelations place us in the Labour Movement in a somewhat difficult position. Capacity to produce efficiently an abundance of goods and services is the very foundation of all our plans and that

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capacity, owing to past neglect, is still lagging and cannot be made good by Acts of Parliament or by votes. It can only be made good by an all-out drive to make our country a modern, scientifically-minded, vigorous, industrial nation.

To whom are we going to look for a lead in that task? Are we to rely on private employers under whom these deficiencies have accumulated? Clearly we dare not do that. We must ourselves, in the Labour Movement, step into the breach and use our energy and intelligence which has got us thus far in leading the nation towards the ideal of producing fully, just as we have led it towards the ideal of distributing fairly. But we cannot tackle this unless we ourselves grasp what full production means and are prepared to change many of our own habits of thought, dating from the time when we assumed that production was something which would happen and that our concern was to get a fair share of the proceeds for the under-privileged. We must also make quite sure that we are not ourselves indulging in or abetting restrictive practices through our trade unions and that we are honestly going all out to raise output for everybody.

No less is it vital that management shall keep profits and dividends at a reasonable level, avoid profiteering and do all possible by good organisation to keep costs down.

Of what does this task of leading the nation towards full production consist? In the long run it consists largely of ensuring that we re-equip our industries with buildings and machinery ahead, or in any case abreast, of those in any country on earth. As our Chairman said yesterday, we need a long-term national plan of re-equipment of industry. Partial plans of modernization and re-equipment already exist in the case of the steel industry plan drawn up at Government request and the Government plan for agricultural expansion and certain others. But what we need is a plan for industry as a whole, to see that the problem of obsolescence, which has not been tackled for generations, is seriously faced and that we can look forward in ten or fifteen years' time to a really efficient and modern British industry capable of meeting the nation's needs.

That means that restraint is going to be badly needed. We haven't the resources to do all we want. So far, since the war, we have had to concentrate nearly all our building industry's resources on housing to relieve the desperate need of so many of our people and on the most

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vital of our industrial needs in a balanced programme. We have had to draw a distinction between providing houses for people who are still living under intolerable conditions, and building for people who already have somewhere decent in which to live. We have not been able to help ourselves to more houses at the expense of the vital new factories, schools, research buildings and so on which alone can protect us against unemployment and poverty. Unless we are going to condemn ourselves and our children to a lower standard of life than we now have, we really must carry on with all the building we can which will enable us to make more and better and cheaper goods for the future.

I am thinking not only of the new factories, but of the new research laboratories, the new university buildings, the new oil refineries and transport and other facilities which have been waiting on the shelf for permission to start work ever since the war and in some cases long before it. The building industry must be made more efficient and we must import all the raw materials we can. We are carrying out a big housing plan, and this we must stick to in addition to more factory and other productive building.

At all costs, however, we must build for a permanently more prosperous Britain as well as building for better shelter over our heads.

While we are waiting—and it is going to be a long wait—for all the new buildings and equipment the British worker needs at his disposal, we must use every possible means of putting up output by more immediate methods. There is a vast amount that can be done to increase output with existing labour and existing machinery and we are in many cases suffering shortages and discomforts which could be immediately relieved if *every* management and *all* workers would adopt simple commonsense improvements which *some* managers and *some* workers have already adopted in this country.

We can also do a lot by relating prices and methods of payment to economic needs. Citizenship means understanding not only what is desirable, but what is possible and when to show restraint. I am glad to observe the spirit of understanding and realism in which the Government's White Paper on Personal Incomes, Costs and Prices has been received and the readiness shown in so many quarters to subordinate apparent personal interests to the national good. If all of us in the next year can put as much effort into pressing prices and

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costs down as has been put recently into forcing wages up and securing reductions in working hours, we shall all be the gainers, and some of the pressure to make ends meet will be relieved permanently and soundly instead of temporarily and in a way that makes things worse in the long run.

I am very glad that the well-timed lead given by the Co-operative Movement towards price reductions has compelled other retailers to follow and has helped to keep the workers' cost of living steady. I am glad also to hear news of industries in which trade unions and employers have negotiated more up-to-date methods of payment which assure the worker a larger wage packet, as a result of bringing about increased production at lower costs. There are many opportunities in these directions.

Then again, the scientists have a great deal to contribute. The more I see of scientists—and I am seeing a good deal of them and bringing them more and more into the industrial picture—the more I find out about the wastes we go on committing through jogging along in our conventional ways instead of tackling our problems scientifically.

We all use science, by twiddling knobs and pressing buttons, but if we are going to be a prosperous and leading nation we must learn to bring the ways of thought and the spirit of science into our industry and our Government to an extent that we have hardly yet dreamed of. That is why your Executive has just set up a Committee of Scientists to advise it on many matters. We have in Britain many of the best scientists in the world, but how often have we failed to make use of their discoveries unless it is a question of bombs and fighters and rockets! Why should the Armed Forces be the only people who are always ready to learn from the scientist? Why should not the trade unions, who have some first-rate scientists on the T.U.C. Scientific Committee, have scientific advice also "on tap" in all the main unions. Let me urge you, in your own industry, if there is any activity in which the scientist can help you, don't be afraid of utilising that help. You will often find that he can give you help that you cannot afford to be without.

I have said nothing yet about the human side of industry on which the record is even more lamentable than it has been on the mechanical and marketing side. We must get away from the false idea that work and happiness do not go together. In fact a happy factory is probably

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an efficient factory, and a well-managed modern factory or office or shop also usually means a happy team. If workers are to cease to be treated as "hands" and to win their place as responsible partners in industry there has got to be a concerted effort by the labour and trade union movements to educate the workers to the responsibilities they should have and how they can live up to them. Not only the efficiency, but the happiness of our industry depends on this.

There is another thing we have to tackle and that is making social democracy less of a mere platform word and more of a living reality. Ballot-box democracy, where people go and vote—if they can be bothered—every few years and do nothing much in between, is out of date. We must have an active democracy in this country and we must whip up our citizens to their responsibilities just as we canvass them in elections or just as the air-raid wardens did in the war.

The individual today counts not less, the individual counts more, and the individual will count more and more as our Socialist programme goes forward. Too many of our so-called democratic institutions are little better than shams which are run by small minorities in the name of large bodies of citizens who take not the least practical interest. In some cases this leads to cliques or sinister groups getting control of impressive-looking organisations and exploiting them for wrong purposes—as the Communists are so fond of doing. But even where this does not happen it is wrong and demoralizing to put up with low standards of citizenship. Where such low standards prevail, corruption, or apathy, or sudden panics, or movements inspired perhaps by vested interests or irresponsible groups can find a happy hunting ground. It is up to us to set a pace in raising the standards of citizenship.

We have to do a great slogging job in improving our industry and our administration so that the promise which has been held out in our programme and in recent Acts of Parliament can be fulfilled. International security remains a question mark, and we may at any time have to make great efforts and sacrifices on that account. Social security is now an historical fact. Our next problem is to consolidate it, to humanise it, and to pay for it. Can our gains be held? Will what we have built last? The answer depends on whether we can establish economic security with economic democracy, whether we can set new standards of economic efficiency and vigour and whether we can give

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reality to social democracy not only in Government but in industry, where democracy is only just beginning. The consolidation of our gains together with sensible further advance ; the tuning-up of our economic life ; vigorous, progressive growth and adaptation—these are among the great necessities in the immediate years ahead.

Let British Labour and Socialism give the lead.

And the watchwords are—boldness, courage, honesty and plenty of good British common sense.

II

Aspects and Instruments

The Labour Party of the Future

London, October 8th, 1945

From a lecture given for the Fabian Society, and published by
Victor Gollancz Ltd. in *Forward From Victory*

THE story of British Socialism is a long one. It starts back in the nineteenth century, and we have had our various brands of Socialist and Collectivist activity running over the years.

The inhuman conditions in the new factories were the background in the early part of the nineteenth century to the increase in strength of the early trade unions, the Socialist and Co-operative gospel and experiments of Robert Owen and attempts by the Government to suppress trade unionism and to regard it as a criminal conspiracy against the State.

Repression of the trade unions led to the rise of the Chartist Movement and its struggle for adult male suffrage, secret ballot, and what seems to us now the modest political reform of the People's Charter. Not Socialists, but democrats of their time and forward thinkers, the Chartists believed that political democracy would of itself solve economic and social problems. In this we now know where they were wrong, but they made their important contribution to progress.

There were efforts for electoral advance, one result of which was the Reform Act of 1832, which only enfranchised the more comfortable of the middle classes. Then the Second Reform Act, 1867, which

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enfranchised urban householders. Rural and mining areas waited for the vote until 1884.

We begin to see the origins of the modern Labour Movement in the trade union effort and the industrial activities of the so-called unskilled labourers in the eighties of the last century. That was particularly true of the dockers of the East End of London, and their famous strike of 1889 for the "docker's tanner."

These efforts of the dockers and many other ranks of unskilled workers, such as the gas-workers, not only achieved industrial advance, gains in wages and reduction of hours. They did something else ; they gave to the ranks of the so-called unskilled, I should say for the first time in our history, a feeling of self-respect, the certainty that they mattered in the world and that they were going to stand up on their own feet. Politically, I should say that was the beginning of the Labour Movement in the East End of London.

When the unskilled came into the trade union world, in that period of trade union effort, it was one of those quiet events of revolutionary consequence that have a habit of taking place in British history.

But the trade union movement had not yet seen the light. In so far as there had been political activity, it was largely political activity of the Liberal-Labour variety. It was an effort to get some sort of right to speak in Parliament. It had been considered that the natural and proper thing was that trade union Labour should go into Parliament as Liberal-Labour Members, but even so it was a beginning of political consciousness. It was an assertion of the desire of working people to have an opportunity of expressing themselves in Parliament.

Then came a great reaction. There came in 1881 the Social Democratic Federation, founded by that great old warrior and prophet, H. M. Hyndman, who led the left-wing and Socialist revolutionary movement of that time. The S.D.F. did its job. It did considerable propaganda. It taught the doctrines of Karl Marx, which are worth studying.

The Fabian Society, founded in 1884, had a special job. Through the Fabian Tracts and Essays it created a good collective body of doctrine. Its publications covering the field of social administration and education, attempted to get the Government, the local authorities and the people into the habit of collective effort, even if it were only by social reform. It aimed to make the community conscious of the

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possible advantage of collective effort instead of excessive individual competition.

The Fabians at that time had few political opportunities. They would work with the Socialists, with the capitalists, with the Conservatives and the Liberals ; and there was many a Liberal and even Conservative Cabinet Minister who owed much to the advice of Sidney and Beatrice Webb. The work of the Fabian Society had considerable effect on the transformation of the political, economic and social practice of our country.

Then in 1893 was founded the Independent Labour Party, led by Keir Hardie, with its moderate Socialism, its fight for independent representation for the trade unions in Parliament and local government, the eight-hour day, a legal minimum wage, and the "Right to Work" ; eminently British and practical, but also eminently idealistic and maintaining a very high public spirit. The great thing about these people was that they had a very considerable Christian spirit in the best sense of the term. They believed in the ideal. They also had their feet on the ground, and they never expected to get anything out of it, and that was a very fine thing. There was a good deal of disinterested idealism in the I.L.P., and we shall always be under a personal debt of gratitude to them and to the Fabian Society for the very great contributions they made to the Labour Movement. Unhappily, the I.L.P. has much changed in later years.

Those were enjoyable times. Anybody could say what they liked about Transport House, which did not exist. People could make extreme and reckless speeches, which would lose any election. It did not matter much because there was no chance of winning any election. There was little risk of getting a vote, and it was a free country. You could say what you liked ; and you could stand at the street corner, as I did some years after, and say the most extreme things, thoroughly enjoying myself in Brockwell Park or at the Tate Library at Brixton. But now can I ? No. I have to look at every word in case the Leader of the Opposition asks the Prime Minister whether the speech of the Lord President of the Council represents the policy of H.M. Government. It is a dog's life by comparison !

About this time, coming out of all this Socialist clash of the S.D.F. the Fabians, and the I.L.P., all of them different, and also those honest and genuine revolutionaries, the Socialist League and the

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Socialist Party of Great Britain, which broke away from the left of the Social Democratic Federation, out of all this clash, this curious clash, in which the Socialists spent just as much time in attacking each other as they did attacking the satellites of capitalism, developed a great and positive wish for independent Parliamentary and local government representation, and the trade unions ultimately came to the conclusion that they had better go into politics themselves. As a result, the Labour Representation Committee was formed in 1900, out of which was born the Labour Party.

There followed a great revival of Socialist propaganda in the country of a highly vigorous order, and by the end of the last war there was a big advance in voting strength and to some extent in Parliamentary and local government Labour representation.

By 1918 the question had to be faced, whether this Labour Movement was going to be a political Party or go on being a skeleton, which it was under the Labour Representation Committee. Led by Arthur Henderson and Sidney Webb, the modern Labour Party was organised. Affiliated societies remained, but it opened its ranks officially to individual membership of men and women, and the skeleton of the delicate organisation began to be clothed with live human flesh and blood. That was a big change, and for the first time it became a political party in the true sense of the term. Individual membership was recognised. The Party equipped itself for propaganda, research, publicity, organisation. That brought new difficulties in relation to other Socialist organisations, particularly the I.L.P. The Labour Party became complete, self-reliant, self-sufficient, and the I.L.P. had difficulty in finding a place in the new orientation. It cut across the Party and the Party across it, and ultimately, unhappily, the break took place. However, the Fabians went on, and somehow, despite all the developments of the Labour Party, the Fabians succeeded in doing valuable jobs of work. Perhaps it is because we Fabians do not seek to be a political party.

After the 1914-18 war, we got wider experiences of power and government, and that, of course, involved a considerable mental transformation.

If in the Labour Party of the last twelve or fifteen years there have been frictions, arguments between right, left and centre (recognising that many people do not know their left from their right, anyway),

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if there have been all these arguments, let us not moan about it. It was inevitable. It was part of the adaptation ; and, in any case, in a live, progressive movement, there must be some argument and disputation.

So we began to get Labour parties in opposition, then in power, in municipalities. Labour came to Parliament as a party of some substance in the early part of the century, and in greater substance since. We had the minority Labour Governments of 1923-4 and 1929-31, and the L.C.C. experience of power since 1934.

Then there was the experience in the war Coalition Government of responsible administration in difficult circumstances.

When the war finished, it was an absolute uncertainty as to what the political future would be. Nobody knew. The British people, quietly, without anybody knowing for certain that it was coming, just proclaimed something like a revolution in July, 1945, in national affairs, and then proceeded with another revolution in local government.

The nation chose the Labour Party as its instrument for these purposes ; and this is where we really come to the next ten years.

The Labour Party has itself been developing an instrument. That is to say, in the ten or fifteen years leading up to the war, things were not too happy, either in the Party, in the country, in Parliament or at Head Office. But I think in the months that led up to that recent election, there was a great change in the whole heart, mind and spirit of the Labour Party. There had been a considerable degree of modernisation, a considerable degree of political realism, a considerable degree of improvement in its publicity technique. So that the Labour Party rendered a much better account of itself at the recent General Election than it ever did before.

One of the great things it did was to accept or to determine that it would have an election programme that was realistic. It used up-to-date, clear-cut publicity methods, greatly improved organisation, and an honest, objective, bold, factual policy statement at the election. Hitherto the Party was tempted to put wishful thinking into its electoral programmes. This time it did not put anything in the programme which it did not think could be done. It was quite an attractive programme—so attractive, that even the Chancellor of the

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Exchequer introduced his Bank of England Bill by waving the document in the House of Commons.

What is the problem of the Party ? The problem is : it is the Party of the Government in power. It cannot be the creature of the Government, and the Government cannot be the creature of the Party. The Party has its Party job to do, and the Government has to govern the whole country, including the citizens who voted the other way.

So the Party must live its life, observing our principles and our faith, preparing itself for the next election, educating the people. The Government has to govern in the principles and faith of the Labour Party, but it also has to govern in accordance with the doctrines and principles of parliamentary democracy, which certainly affirm that the minority has a right to be heard and to be considered as well as the majority. So there is a difference between the Party's work and the Government's work.

The Government must keep the principles of the Party in mind. The Party must keep principles more firmly in mind and understand the difficulties of the Government, if there be difficulties from time to time.

We have won power. Do not let us think that it will be easy to retain that power. We can lose it. We have waited a long time. We have waited nearly fifteen years, and this is the first time we have had a Government with a majority. The real test of a political party is not winning one election ; it is winning two consecutive elections.

Sooner or later we were bound to win the L.C.C. The test was not in 1934, the year of the first majority. The test was in 1937. We have now won a further series of Metropolitan boroughs, and many more councils throughout the country.

The test is the next General Election. We must work upon the assumption that we are going to last for five years, or nearly five years. We must have a policy and an organisation that will carry us in the spirit of constructive effort, both in the Party and in the Government, for that period. The Party matters terribly. The Party matters just as much as the Government.

The officers and the leaders in the country have their responsibilities as well as the members of the Cabinet, because they are the custodians of the Party organisation and the spirit of the Party in the

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country. This Party, having become the Party of power, has now got to look like it and feel like it and think like it.

Therefore the membership of the Party must grow, the individual membership and the affiliated membership. It is not only important that the individual membership shall increase in numbers, both in men and women. It is even more important that the individual membership shall grow in its diversity of character, in its representative character, and be drawn from all sections and classes of the community. Particularly, it is important that its individual membership shall be good in quality, in knowledge, thought, insight and absolute incorruptibility. That is the important thing for the development of the Labour Party at this time.

The individual membership of the Party must be representative of the nation. We must have the manual worker, the skilled worker, the clerk, the administrator, the manager, the technician, the married woman—let them all come ; it must be a real Party of the nation if it is to do its job.

And let me say to the upper classes and well-to-do people who join the Labour Party, particularly if they have led a parasitic life, "Come in because you believe in our faith, but for Heaven's sake do not come in to get a kind of spiritual and psychological cure of your past." If you come in, come in simply and naturally, and join and work. Do not as a consequence of coming from the doubtful upper-class regions think that you are under suspicion, and that therefore the only way you can prove your sincerity is going to the extreme left so that you can prove you are as good a proletarian as anybody else. Simple directness is what we want.

We want the Party to be broad, training itself for the responsibilities of local and national government, and for the responsibility of the education of the citizens of the country in the elements of government and economic and social problems. We want men and women. We want young women as well as older women.

The Party must consider what a man or woman feels when he or she joins the Labour Party. I remember my first meeting. It was a great occasion for me, something like going as an out-patient to a hospital. I was wondering what reception I would get, and I was feeling very nervous. To the new member his first meeting of the

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ward committee or whatever it may be *is* the Labour Party. Remember that.

So we must take the greatest trouble to make our ward and polling district and local Party meetings radiate good cheer, comradeship and fellowship, comradeship even from the people who use the word "comrade" rather too much—fellowship from all, and a spirit of mental liveliness throughout. This year I went to a meeting of the Salvation Army in Lewisham, and, believe me, the Salvation Army has got something to teach us in the way of running a convention or a meeting. The number of people who actively contributed in some way or other was considerable, and it was joyous and cheerful. One went away happy and feeling the better for it. That is what we must have in the ward meetings of the Labour Party.

We need our education work, which is now going on. Head Office is determined and the Executive has given full authority to the Research Department to prepare educational pamphlets and discussion group pamphlets, and we must have our conferences, so that the education of the Party and of the nation through the Party is steadily going on all the time. In that connection we shall need Labour Party research, and in co-operation the Fabians will do theirs ; and this work of research, publicity, education, and discussion groups, can be related to the work of the Government.

In this Parliamentary Session we are discussing the problems of nationalisation. For the people, the Party, the electorate, to be steadily reasoning out the Government programme as it goes along, in partnership so to speak with Parliament and Government itself, that would be true democracy. That is government living with the people, and the people living with government ; if that happens, then, when the election comes, it will be an intelligent electorate that is going to give the decision ; if not, it will be our own fault.

When the new member comes in to the Labour Party, he would like to do something for the Party. He may want to do something, but, being a modest person, he does not like to ask. Therefore there is a duty upon the officers. The Party, locally and centrally, is looking out for youth, including candidates for local authorities. Try to encourage the worthy ones to come along, buck up the backward. Show them how to educate themselves. Teach them what to read. Do not rush them into work if they do not want to be rushed, but the younger they

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are when they have a job of work to do of some sort, the better it is for them, and the happier they are.

Help the young man and young woman to find out what he or she is capable of.

We must always be on the lookout for good quality candidates for local authorities and for Parliament. We need quality and conscious training to help them to become proficient in their work. It is no good us promoting people to be councillors merely because they want the fun of having "Councillor" or "Alderman" in front of their names ; or of people going to Parliament because they want "M.P." after their names. We have to have people going into public life—and to a great extent we have got it—going on local councils and into Parliament, not in the spirit of self-glory, but in the spirit of public service, conscientious service to the people. That is one of the finest duties to be found upon the earth.

Next, the election agents should be lifted up. They are of pretty high professional status, but not high enough. The election agents have to understand humanity and how to handle it. That is a lifetime study, to understand public relations in the highest sense, to be philosophers in politics, to have political ideas. Therefore our standards have to be higher, our pay—if we can manage it—has to be higher, and for the good man the security of the job has to be greater. I hope, as the Party income grows, that we can make adjustments.

We have developed regional offices and officers, from which there will be delegation from Head Office ; and the regions in turn will be able to co-operate with the local and municipal Labour groups, to help them and to help each other.

I hope we will avoid any rigid standardisation in local government. If local government is to be local, let it be local. To pursue a uniform policy would be dreadful. Not even in the Metropolitan boroughs did we do that. Every one of them is different. They all have the best town clerk in London, the cheapest electricity in London ; they all have something better than anybody else in London, and they are all wrong. But God bless them ! I would never destroy that spirit. It is the soul of civic pride and progress. Therefore never let Transport House try to produce local authorities in its own image. They must not do silly things, but they must have individuality.

We must have publicity and books and pamphlets relative to

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Government work, and films if we can get them. We must become experts in broadcasting and know how to talk to people on the radio, and, believe me, it is one of the hardest things on earth.

The trade union movement has advanced enormously in recent years, but if it is going to play its part in the new order of things which is coming, then trade unionism must still further broaden its knowledge, vision and spirit—its sense of social responsibility. It has already evolved into a new status. That status will increase as industries become Socialist and as Labour Government continues. Trade unions now are becoming conscious co-operators with the State and with the development of socialised industries. Now we hope to go forward, and the Party must conduct a great campaign with the trade union movement for the “socialisation” of the minds of the trade unionists and for the “socialisation” of the co-operative movement, which has developed enormously and played a very big part in the last General Election.

So a Socialist Government is not enough ; it is not enough in itself. A Socialist Government needs a Socialist thinking nation, Socialist thinking workers in socialised industries, and high political morals.

We have now entered into a sphere where Government is consciously and collectively taking part in economic and industrial plans. The policy of the Manchester school and of *laissez faire* has gone, and government now is taking an active and positive hand in economic, industrial and social affairs. This Government openly says it intends to do so. The Government must learn to handle the business people in language they can understand, and the business people must be better able to talk to Whitehall in language it can understand. The sooner they can both do that, the better.

For the first session we did not have the chance to shape as considered a legislative programme as we could have done if we had been in power for a session, but we did our best. Running through the King's Speech there was a unity of purpose. In the economic sphere we had the Supplies and Services Bill, which enables the economic controls to be continued for the purposes of peace. Nationalisation of the coal mines and the Bank of England has gone ahead. Bills were prepared for the control of investment, others for town planning and for social insurance. We announced the socialisation of civil aviation

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and the public ownership of Commonwealth telecommunications. That is not a bad start.

There are other things to follow. Sir Stafford Cripps is getting on with the business of better organisation of private industry. He is getting on with his working parties and watching the monopolies and considering their control. So that even in the first Parliamentary session I think we have a better-planned programme than any previous Government ; and Parliament will have to do more work. Therefore we must have better Parliamentary procedure, and it was not for nothing that one of the first actions of this Government was to ask the House to set up a Select Committee on Procedure, and next to move the necessary changes in Standing Orders to implement the first Report of the Procedure Committee, which was only appointed well after the election. That is good work, and it was worth while. It will go on with further examination of Parliamentary procedure.

We must have a planned legislative programme. Up to now it has been the case with King's Speeches that there was no connected plan of weaving together the legislation on the basis of the national interest. It was largely a matter of which Minister happened to think of a Bill first and which was the cleverest Minister in getting his Bill accepted. That is wrong. Legislation should be planned as much as anything else. I want to see each year's legislative programme well planned ; indeed, I want to see a programme for the whole Parliament planned, and I want to see a programme that overlaps, so to speak, into the next session of the next Parliament. That can be done, but it has never yet been done.

We also need a planned economic programme. As these socialisations proceed, and as the State supervision, inspection and encouragement of industry proceeds, we have then got to evolve a planned economic programme. Mr. Dalton indicated on his first interim Budget that he was going to have a planned Budget for a period—possibly a five-year Budget. This wider view of the Treasury is all to the good.

We need a factual industrial Budget for a period of five years. We should have an industrial and economic target to aim at. We should aim at what the national income is going to be, what the total production is going to be, how much we can afford on the running costs of industry, how much we can afford on capital expenditure, the

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replacement of capital, defence, the expenses of Government, the expenses of social legislation. Let us have all the facts out, so that the nation knows what it is aiming at and knows what we can afford and what we cannot afford. As it is, Parliament argues in the dark.

Let the facts be known to the nation as well as the Government. These facts should not be tucked away in files at Whitehall. Let the nation know.

I want to see a planned economic programme, and I want to see it attaining an adequate and objective publicity as we go along, because, as I have said, the nation is in this too.

We need better machinery of Government, especially in the economic field. It has enormously improved. The economic machinery of this Government is infinitely better than it was in the days of the Labour Government that I was in in 1929-31. But there is still room for improvement. There is need to develop inter-departmental co-operation, official and ministerial. We also should be able to provide that departmental functions, if necessary, can be transferred.

We need in particular to be creative, watchful and forward-looking in audit and progressive work, and we must recognise that great economic problems will come with full employment. In short, we want what the Webbs called measurement and publicity. We want a balance of production and consumption. We need an industrial, economic and manpower budget as well as a financial budget.

It is a great opportunity. There are great possibilities of inspiring, beneficial action in all these fields for the welfare of our people, which is much more important than the success of party.

But the success of the Party still depends on the way in which each one of us, Parliamentarians or not, plays his part. I hope that our great Labour Party will extend its activities to such advantage, that not only shall we have Labour Government after Labour Government, but that we will have a vast movement of thinking, upstanding men and women, happy in the spirit of service to their fellows and the world.

Local Government

Nottingham, December 8th, 1945

To a National Conference of Labour Municipal Councillors

ON the Labour members of the new Councils, especially Labour majorities, there lies great and significant responsibility. Their work will affect the daily lives of all; their enterprise, public spirit and integrity, and their efficient co-operation with County Councils and the Government will bring lasting benefits to the people of our country. To a great extent the prestige of the Labour Movement is in their keeping.

When I speak of co-operation with the Government, I mean mutual co-operation on the basis of mutual respect. I do not ask Labour local authorities to be the abject slaves of Whitehall, and from what I know of you, you are not likely to be! You will reserve the right to argue with Labour Ministers when, in your view, the interests of your citizens so require. Whilst public bitterness between us will do none of us any good and should be avoided, our mutual independence of judgment should be respected. I have lived too long in local government to desire its healthy vigour to be destroyed. And I have been a Minister of the Crown long enough not to forfeit my right to resist the hefty claims which at times come from local authorities.

You will be aware that as part of the policy to keep Ministers in touch with the views of the Party, a number of groups of Parliamentary Members were set up, one of which specially deals with problems affecting local government. The Local Government Committee of the Parliamentary Labour Party is a purely advisory body, but it is serving an extremely useful purpose in maintaining lively and informed opinion. We must not overburden the Committee but I

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feel sure that any points you may care to raise with the Parliamentary Party affecting local government will receive their earnest and detailed consideration.

Perhaps the greatest problem which faces our country domestically is the vast and tragic shortage of houses. It is worse where we suffered from air raids, but it started with Tory incompetence in peace time. There was a housing and slum problem before the war started. Let us remember that, learn a lesson from it, and never let it happen again. The Labour Government and Labour Councils want not only houses. We want happy, pleasant homes in well-planned communities with their parks, green fields and trees, wherever that is possible. Vigorous and imaginative action in co-operation with the Government will get them—and get them all the better and quicker if we are all working for the same democratic purpose and with the same democratic impulse.

So it is with other social problems with which local government is intimately concerned. Already in many services of health, maternity and child welfare, public amenities and so on. Labour Councils, even in poverty-stricken areas, have done fine work, and triumphed over evil inheritances from Tory neglect. It is in our hands to help to prevent disease, to look after our people's health, to give the new generation a good start, to save road accidents by looking after our roads and lighting our streets, and to add to the joy of living by enriching the leisure of the people and the families in our boroughs.

Aldermen and Councillors have got a great job to do. It is well to remember that you will be judged not on what you do in the next five minutes or five months, but on your general success over a period of years. You should make a three-year plan. Your planned programme will only be successful, though, if instead of trying to do everything at once, you also decide on an order of priorities which can be revised as you go along. Your majority must be used as a team, working together in the public interest, and using its power with discretion and with loyalty to the planned programme.

The same planned approach must be made to finance. Keep your heads. You must not be cowardly, but neither must you be reckless, for it is public money you are spending: nearly everybody pays rates. The times are progressive and there is growing public understanding of national and local economics, and therefore all the more reason why

your administrative programme should be worked out side by side with a financial programme. The Chairman of the Finance Committee deserves your special sympathy and understanding.

If I may, I would urge you not to be the slaves of dogma. Take, for example, direct labour. It is a worthy principle and our bias should be in its favour. But it is only justified as and when it is in the public interest—like nationalisation. If it is not, let it go. And municipal workers under direct labour should not be encouraged in the view that municipal employment means a slothful Utopia. The municipality is entitled to more, rather than less, energetic service from its workers than the private contractor. The municipal employer as a model employer—by all means; but as a soft employer—no.

In the planning and administration of council affairs there must be organisation, and careful and responsible weighing-up of priorities. When decisions are reached they should be loyally adhered to. Therefore, particularly where there is a Labour majority, you must achieve a combination of the principles of democracy and leadership. Democracy is important. Leadership is important. Without them you will get irresponsibility and incoherence. To get good and lasting results from your work this balance between leadership and democracy should be maintained.

On those of you who are part of Labour majorities—and even minorities—at the Town Halls, rests the supreme responsibility to keep the good name, reputation and honour of the Labour Party bright and unsullied. You will have a good many pressures from people who voted for you, from people of some influence, even from relations close or distant. You must be scrupulous about your own affairs or interests in so far as they may be related to Council business. In the long run nothing is to be gained from deviating from principle in these matters; and if, as a consequence, some people get their noses put out of joint, just tell them you are sorry, but that you have to maintain the integrity and uprightness of public administration and will not deviate in the direction of jobbery, favouritism, bribery or corruption.

Councillors and their officers should be specially careful to be independent of contractors. Shake hands with them, yes, if you meet them in the normal way; but when it comes to business, and public business it is, remember, make it clear that the place to talk about it is

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officially at the Town Hall. It is also well to be correct in relations with officers and staff. You will, I trust, find they have a tradition and standards of conduct worth respecting. There should be mutual respect and trust, deserved and fostered on both sides, between Council and staff, but it is best not to be intimate in private relations. Your common aim is to serve the public, and proper and dignified relations with your executive officers will improve the smooth running of your administrative machine. Do not resent officers advising in accordance with their convictions, but reserve the right not to follow their advice when in your view the public interest so requires.

To the chairmen and vice-chairmen of Committees I wish success. Master all the papers that are circulated. You must be expert in the work of your Committees if you are to do your work thoroughly, and if the work is to be sound. Naturally, you and your fellow committee members will be enthusiastic about the particular committees on which you serve. That is right; but your enthusiasm can be dissipated if you forget to keep the total situation in mind, and forget that your special work has to be carried out in relation to the general work of the Council.

To make your work completely successful, Councils should take steps to keep in the closest touch with the citizens for whom they are working. Dim and pompous mystery is all right for those who want to hide what they are doing—or are not doing. Other than in one or two particular cases, for example, Education and Public Assistance in full committee, I do not advocate committees meeting in public; but the Town Halls belong to the people, and the people have a full right to know what the Councils are doing. Get people interested in what you are doing, make sure they understand why and how. Be helpful to the Press. You will find your work will run smoother, your successes will be strengthened by the co-operation of the individual citizens, and will come twice as fast.

So you start well with hopes of good achievement and success. It is for the Councillors to keep in touch with their Wards and to forge a great co-operative associated democracy between the electors and the representatives of the people. Keep the honour of the Labour Party bright, the standard of administration high, and I believe that as time passes the Council Labour majorities will be confirmed, and others won.

New Opportunities for Scientists

January 14th, 1948
To a meeting in Letchworth

I AM going to talk to you tonight mainly about government, science and industry. Let me tell you why I have chosen this topic. As Lord President of the Council I have the duty of supervising on behalf of the Government the development of scientific research for civil purposes.

During the war, as everybody knows, British scientists were in the forefront in producing war-winning ideas and devices not only for us, but for the United Nations as a whole ; in radar, jet propulsion, atomic research, protection of shipping, and penicillin, for example, British science won battle honours second to none.

Now that we are engaged in another struggle for survival, you may well ask "Cannot more use be made of science to win the battle for recovery ?" The Government think it can, and are eager to see science backing up enterprise in the national effort for economic recovery and independence. A lot of people ask how, as more and more is taken over by the State, we are going to get enterprise in new ideas and progressive development. I can give one simple answer to that—it is not by any means the only answer, but it is an important one. My answer is, "By making full use of the unrivalled scientific brains of Britain ; by sweeping away the old isolation of science and the

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tendency to look at scientists as people who are not needed in industry or are only needed as boys in the back room, or as long-haired old gentlemen cut off from worldly affairs." The Government are taking steps to bring science into the forefront of British industry. We do not think that industry can flourish and give the nation what it wants in increasing abundance at decreasing costs unless science becomes more of a partner and less of a Cinderella.

When our forces went to Normandy scientists were in on the most secret planning at the top level ; it was with their aid that Eisenhower and Montgomery achieved what the Germans thought impossible. But how many businesses have we in this country even today in which scientists are given that status and are enabled to turn certain defeat into probable victory by their ideas and skills ? There has been progress in the past two years. Encouraged by the Government through its Department of Scientific and Industrial Research, there has been an increase in the numbers and the effectiveness of Research Associations in industry. This is good. There is room for more.

In the coalmining industry, I am glad to say that the National Coal Board has brought science in right on the top level and also in every area. Before long every miner will be conscious that he has a scientist close at hand to make his work easier and less unpleasant and to help him to get a better result.

Every British worker should be able to feel the same. Workers can no more be expected to produce good results with out-of-date and unscientific equipment and leadership than our armies could be expected to win battles with fewer and worse weapons than those they were up against. It will be some time before we can re-equip British industry and in the meantime we must make do and mend. But even our existing plant and that which is coming forward can be made immensely more productive if science is brought in in a big way, and in an ungrudging spirit.

I do not mean that fundamental research which is now being done in the laboratories can show results in industry next year or even the year after. It is bound to take time to pull new ideas out of the air, to give them shape, to explore their practical uses and to get through all the early troubles of experimental and then of commercial production. This process must go on and we can look with confidence to our scientists as their conditions improve and their numbers swell to

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assist us with an ever-expanding flow of new discoveries and new applications of past discoveries.

But in the meantime we must rely chiefly on two main types of scientific contribution. First, the more effective use of the really vast amount of scientific knowledge which *already exists* but has not yet been fully applied in British industry, and second, by the harnessing of the new and vital social sciences to help managements and workers in their daily problems.

The Government takes its part in science for industry through the Department of Scientific and Industrial Research for which I am responsible. In the same way, the Medical Research Council is concerned with health factors, and the Agricultural Research Council is helping agriculture to increase home food production. Here we have organisation which has among its primary tasks the carrying out of research in the interests of the people of this country as a whole. From the work of D.S.I.R. I could give numerous examples, such as research on food preservation and storage, for example, of apples, dried egg, fish or meat, research on road safety or the best use of fuel, and so on. But I will take as an example research on housing.

We have been fortunate so far in that this has been a mild winter. but during the cold spell last November I expect many of you found your houses unpleasantly cold. The whole matter of keeping houses warm has been, and still is, the subject of investigation at the Building Research Station of the Department of Scientific and Industrial Research. Some of you may have wondered why it is that pre-fabricated houses are warm and cosy, when with their thin walls they might really be expected to be like ice-boxes. The reason is that they have been designed in accordance with standards and methods found by scientists. The walls and roof of the pre-fab. are so constructed that the heat does not escape through them into the outer air so, in addition to the houses being comfortable to live in, fuel is saved and this is perhaps even more important.

I wish I could say that all the traditional houses being built in this country were also being constructed in accordance with scientific principles. Unfortunately that is not so. In some cases this is because builders are so wedded to their traditional methods that they disregard the new ideas. In other cases it is due to shortage of materials for, in order to attain high standards of heat and sound insulation, unusual

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materials have to be employed in some parts of the construction. The Government is working hard to overcome these shortages, but it is up to local authorities in particular to watch for and study the results of building science, and to insist that their houses are built so as to give these high standards of comfort.

Don't forget that these standards have been specified as a result of accurate measurement by the scientists, and not as a result of guess-work. And it is not theoretical stuff but the result of experiments made on real houses, specially built for the purpose. By building this knowledge into all our new houses we can save fuel and increase comfort.

In some industries, and I would particularly like to mention the cotton and the iron and steel industries, workers are becoming increasingly conscious of the manner in which science aids their skill. I am glad to notice the interest taken by Trade Union leaders in the work undertaken by the Research Associations of their own industries. These Research Associations are organisations set up by Industry and Government in co-operation and it is a very healthy sign that the workers should be taking this interest in their doings. I trust that we shall see this interest spread so that it permeates all the industries of the country.

Operational research, which gives managers a yardstick for measuring and anticipating the effects of operations under their control, is not entirely new to industry. Under various names it had its successes in industry, before the war; but under war conditions it was developed, added to its practice of applied statistics new methods of scientific logic, and today can with great benefit immediately be applied to many important sections of our economic life. The continued use and development of this important practical scientific contribution to production and industrial efficiency will be encouraged by the Government.

One of our leading Research Institutions, the Shirley Institute, has been in especially fruitful and intimate contact with its industry for a long time, and has come to study not only the technology of the industry, but also the economic effects of changes in process and means of increasing output. Now a simple but powerful weapon with which to attack questions of productivity is to compare the outputs of different mills (or corresponding rooms in different mills) making

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comparable products. The Shirley Institute collected figures for amount of cotton processed, numbers of workers, hours worked, types of plant, and so on, over a large number of mills ; from the material collected they were able to show that, for the same process and the same count of yarn, the number of man-hours required per pound processed varied markedly from mill to mill, often by as much as 3 to 1. Moreover, by studying some of the apparently best and some of the apparently worst mills for any process, a good idea could be obtained of the *reasons* for the differences—practice in labour deployment, package size, layout, or what it might be. Their figures suggest that by bringing the practices of all mills up to those of the best rooms at present, a considerable increase in output, not less than 10 per cent. and possibly as high as 40 per cent., might be obtained from the present labour force and machinery.

Now I turn to human factors in industry. Few people yet realise how rapidly research on these is arming us with the knowledge to do our work more easily, more quickly and with more to show for it. There are still people who regard psychologists and psychiatrists as persons to be avoided like the devil—I know because I felt that way myself until I got a psychiatrist as my Parliamentary Private Secretary. I can now tell you from personal experience that these psychological experts really are human and they can do a lot to help industry in its problems, not just where there is an abnormal situation, but even in ordinary cases where things appear to be going quite normally. The Industrial Health Research Board of the Medical Research Council has been doing some fine work in this field for some thirty years and they have found out a great deal about, for instance, the number of working hours which gives the best result and the best way to arrange rest periods so as to save workers from getting tired. Some very interesting things have also been learnt about lighting and colour. In the case of lighting no experimenter has yet reached the point where still further improvements in lighting do not further raise output. A dark, ill-lit works is not only a gloomy and probably an unhappy works, it is also an unproductive works compared with what it could and should be.

Again there is an art in choosing the right colours for machines and working equipment so as to guide the eye and the hand quickly and surely in their operations. It has been found by experience that on a

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machine painted the usual dull grey, a worker hesitates before putting his hand on the right spot, whereas if the levers are picked out in the right colour the pause is cut out and in the course of a day quite a lot of time and fatigue are saved. These are just small examples from an enormous field and I am very glad to know that we have the goodwill and co-operation of the T.U.C. and also of employers' organisations in pressing ahead with adding to this type of knowledge and above all seeing that it is made available for use wherever it can be applied to give us that extra 10 per cent. of output which Britain needs, and needs this year.

In order to get results in applying science to production we need the right organisation. The Government has been quietly creating this organisation ever since the war ended. First, we tidied up Defence Research and took steps to catch up with the practical development of the discoveries in atomic science to which British scientists had contributed so much. During the war we were not able to set aside in this vulnerable island the large resources necessary for developing atomic energy, but we are now doing so, and we intend to play our full part in developing this new source of power, which should have great economic and industrial significance.

A year ago I set up an Advisory Council on Scientific Policy under the Chairmanship of Sir Henry Tizard. This Council, which includes a number of our most eminent scientists, is not just a body which waits to be consulted occasionally about particular scientific questions. In fact I encourage it to think ahead and tell me what the Government ought to do about science, and with the aid of the Scientific Secretariat in my Office it is playing a very active part.

Among other things I asked it to look at the question of mobilising science for our economic recovery and as a result the Chancellor of the Exchequer and I have now set up new joint machinery composed of Government, scientific and industrial representatives, which is called the Committee on Industrial Productivity. It will actually consist of a number of teams working on different problems according to methods which were proved successful during the war. For instance, one panel is tackling import substitutes to reduce the strain on our balance of payments through our having to import things which we could do without or provide out of our own resources. Another is dealing with technology and what was called in wartime

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operational research. Another is dealing with human factors in industry and a fourth with the modest but absolutely vital task of seeing that the results of science are not just pigeon-holed but are brought to the knowledge of all those who should be acting on them.

This, however, is only a beginning. For better or worse our civilisation has staked its material future on science and at every point in our social and economic arrangements we must see that the scientific attitude is brought in and that provision is made for learning and using all that science has to teach which has a bearing on what is being done. We do not want science to remain segregated as something which is done in laboratories and experimental stations ; we want it to be at the very heart of our industrial effort.

For 300 years successive generations of British scientists have led the world and they have shown that they can still do so. It does not look as if there is anything wrong with British science relative to the rest of the world when two of the three Nobel Prizes in Science this year are awarded to British scientists—one a University Professor and the other a member of the Scientific Civil Service.

But it is not enough for science to lead unless the nation understands, uses and continually demands the fruits of science. Is it too much to hope that with our new Education Act and our wartime experience to guide us that we can make Britain the most scientifically minded and alert nation in the world ? No other country has our advantages in this field and it is a reproach to us that we do not lead all countries in applying science as we undoubtedly lead them in expanding knowledge. We are encouraging the training of more scientists because we know we shall need them, and to this end the Government accepted the recommendations of the Barlow Committee. This decision, and the new machinery which I have sketched is a start towards developing this country into a truly scientifically-minded modern nation with all the advantages which flow from that.

The great developments in scientific organisation which are taking place under this Government constitute one among many of the demonstrations of the Labour Party's broad spirit and wide outlook on public affairs. We have a great vision of science in the service of the people. I ask you to share that vision and to live up to it.

Science and the Engineers

London, June 9th, 1947
To the Institution of Mechanical Engineers

ON an afternoon in 1846, George Stephenson, the father of railways, and a number of other railway engineers were watching locomotive trials on a steep bank near Bromsgrove, on the Birmingham-Bristol Railway; it came on to rain and they sheltered in a platelayers' hut. Their talk turned on whether it would be a good thing to form some sort of Society to link railway men and other mechanical engineers together for the discussion of their mutual problems, so that they could increase their knowledge of mechanical engineering science and give an impulse to inventions which, in the words of the circular they agreed to send out to engineers who might be interested, "would be likely to be useful to the world." That was the origin of the Institution of Mechanical Engineers whose Centenary we are gathered together to celebrate.

I consider it to be a great privilege to be the first to offer your Institution my congratulations upon the outcome of that afternoon's talk, and to extend a warm welcome on behalf of the Government to those representatives from kindred bodies overseas who are with us today.

While the Institution of Civil Engineers, in whose building we meet, was born in 1818, you may justly claim, I understand, to be the oldest Institution of Mechanical Engineers in the world; but you lead by a short head only the Royal Dutch Institution of Engineers which was, I believe, formed only a few months later. I am, therefore, especially glad to have beside me Jonkherr Van Lidth de Jeude, the Vice-

President of that body, and I am also glad to welcome here Professor Christie of the John Hopkins University, who is a Past-President of the great American Society of Mechanical Engineers. He is an authority on power station design, a problem with which we happen to be very much concerned at the moment. In our particularly British way we have just had a great controversy about the external appearance and location of a certain proposed power station, but that does not mean that we are not interested in what is to be put inside it. I can assure Professor Christie that the description of American practice and tendencies in the design of mechanical plant for power stations, which he is to give on Wednesday morning, will attract considerable attention.

Your Institution, like most successful British organisations, began in quite a modest way, but it has steadily grown in stature with the passing years; and at no time in its existence has it been held in greater esteem both in this country and abroad.

It is indeed fortunate that during the critical years of the war and during this difficult time of recovery and reconstruction, the three sister institutions of Civil Engineers, Mechanical Engineers and Electrical Engineers should be so strong and healthy, and that their affairs should be conducted in such a statesmanlike manner, and that the relations between them should be so cordial and so free from internal friction or petty jealousies. The harmony existing between these powerful and virile institutions has been of untold value to Government on many occasions when it has been necessary to seek the advice of the engineering profession.

In our struggle to win through our present difficulties, engineers are among our front line troops. A blue print is merely the conception of the final machine, and our blue prints of schemes for increasing exports, for increasing output, and for developing new industries are but plans of campaign. The practical realisation of the plan depends largely on the skill, ability and knowledge of the scientists, of the designers who commit the ideas originating in the laboratory to the drawing board, of the craftsmen who translate the conceptions of the designer into prototypes, and of those in the factories—both management and workmen—who turn out the finished products. From their united efforts the engineering industry is welded, and of this industry you are acknowledged leaders.

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Progress in mechanical engineering comes through the use and development of scientific discovery, largely through the application of fundamental work carried out by physicists and engineering scientists. Radical improvement in design also comes about as new materials become available from the work of the metallurgist and the chemist. Now it is often alleged that while we in Great Britain are pretty good in carrying out fundamental research, we are not so very wide-awake in applying its results and that we often allow others to reap where we have sown. This is a serious matter at the present time, for it would be very distressing if potential customers for our exports got it into their heads that it was no use to look to Great Britain for new and up-to-date products. Let us therefore examine this allegation for a little while.

First, it is no use talking about developing new ideas if the ideas don't exist; in other words, if for some reason this country does not happen to breed men with the right sort of mind for applying science. If, however, we do breed men with the right kind of brains, then the task of providing them with proper opportunities and facilities for developing their ideas for the good of the community is a comparatively easy problem for an enlightened Government. Now national characteristics don't change very quickly; it was quite clear in the war that our people still possessed their old characteristics of courage, fortitude and resolution; and so, if we produced great applied scientists and great inventors in the past, we may be pretty sure we are still capable of producing them, and that there will always be shoulders worthy of wearing the mantles of the giants of the past. If, therefore, I take the opportunity of these celebrations to "praise famous men" it is not because I believe that our achievements lie behind us, but because I am certain that what we have done in the past we can do again, and because I believe that we have with us today British engineers whose claim to fame will be equal to those of their great forefathers.

The pageant of names of great British engineers enshrined in the annals of your Institution begins with your first two Presidents, George Stephenson and his son Robert Stephenson. The locomotives they designed, the tunnels they drove and the bridges they built are still famous all over the world. George Stephenson is so renowned as a railway man that we, at times, forget that he invented a miner's

safety lamp before Sir Humphrey Davy's, and tested it under conditions in which, if his deductions had been wrong, he could not have escaped death.

George Stephenson, like so many others of the famous pioneers of engineering, began life without any material benefits whatsoever, and the engineering feats which finally brought him great honour and many rewards came solely as a result of self-taught mechanical genius, long years of hard experience and ceaseless efforts to increase his knowledge and understanding. He must have been a bonnie fighter, as this quotation from a letter he wrote, when he was having difficulties with Lord Howick about the route of the Newcastle to Berwick Railway, shows: "Is the great thoroughfare through England and Scotland to be turned aside injuriously for the frivolous remarks made by Lord Howick. No! Times have changed and legislators must look to the comforts and conveniences of the Public; are hundreds and thousands of people to be turned through a tunnel merely to please two or three individuals?"

Your next President was Sir William Fairbairn, who with Robert Stephenson designed the tubular iron bridge over the Menai Straits and was responsible for the structural design of that famous ship, the *Great Eastern*. He also added to the roll of British achievements by the invention of the Lancashire Boiler. Next came the most famous maker of machine tools in the world—Sir Joseph Whitworth. He was the first manufacturer to recognise the importance of the interchangeability of parts and of accuracy in workmanship. He produced standard gauges and machines capable of detecting a difference as small as a millionth part of an inch. The uniform system of Whitworth screw threads has been adopted, of course, not only in Great Britain but all over the Continent. Many of our best engineers have owed their opportunities for study and research to the Whitworth Scholarships.

The early papers of the Institution, and the meetings carried out under these early Presidents, provide many examples of British inventiveness. The first paper of all dealt with, I believe, the design of a new centrifugal fan and suggested its employment in blast furnaces, an application, however, which had to wait 50 years for the coming of the turbine to be really successful. Soon after we find the description of the first pneumatic lift, and then a series of papers by John Ramsbottom, also a President of the Institution, in which he

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describes for the first time the use of piston rings for which he claimed a saving of 12 per cent. in coal consumption in the engines to which they were fitted. Then we have his safety valve which has found a permanent place in locomotive design, and a little later he is describing the method by which locomotives pick up water from the track while running at speed. Among other British inventions described in the proceedings of the Institution are the first practical coal-cutting machinery, the first experiment in the use of pulverised fuel and the modern method of making cutting tools by fixing small pieces of the cutting material to a holder.

In 1861 we find Sir Henry Bessemer describing his method for making steel, which provided the first means of making steel cheaply. It may be worth recalling that in 1896 this invention was voted by the readers of the *Scientific American* to be the most important invention of the 19th century. It was the forerunner of the other great British contributions to the science and art of steel-making and metallurgy.

The story gradually unfolds itself, decade by decade, until we come to the 90's and meet Sir Charles Parsons and the development of the steam turbine, by which he converted what had been a mere toy for 2,000 years into a machine which revolutionised the propulsion of ships and the generation of electricity.

And so we pass to the next 50 years in which the research of the physicist and metallurgist provide the background knowledge on which the inventor can build. Parsons, for example, designed hulls for his early turbine-driven vessels from experiments on models using the new discoveries of Osborn-Reynolds—again a British contribution to knowledge upon which is based the modern application of wind-tunnels and ship-tanks to the design of aircraft and ships.

In the proceedings of the Institution we find the record of the great changes brought about as new alloys—ferrous and non-ferrous—became available to the engineer, and we can trace their effect on the development of the motor car and on aircraft and finally in the gas turbine.

I was glad to see that the Institution has recently recognised the pioneer work of Air Commodore Whittle on jet propulsion by awarding him the first James Clayton prize; and, as another example of British inventiveness in these new fields, let me recall the contribution to motor car design of Dr. F. W. Lanchester, to whom the Institution

awarded the Watt Medal in 1945. With him originated the epicyclic change-speed gear, the pre-selector gear, wire wheels, electric ignition, direct-driven top gear, and worm transmission to the rear axle—not a bad contribution to the development of motor cars. But that does not end the story because Lanchester wrote a book on Aerial Flight which the citation for the Watt Model describes as a stupendous intellectual achievement fundamental to the later development of the science of flight and stability.

Finally, I should recall British achievements in the development of refrigerating machinery, and in doing so I cannot do better than couple them with the name of your present President, Lord Dudley Gordon. British research, much of which, I am glad to say, was carried out under the Department of Scientific and Industrial Research, has made great contributions in the study of cold storage of foodstuffs of all kinds. But without the efforts of that branch of mechanical engineering of which Lord Dudley Gordon is so worthy a representative, these researches could never have been applied in the maintenance of our food supplies both in peace and in war.

It is sometimes said that the early pioneers of British engineering owed little to science. It could hardly have been otherwise because the science which would have been useful to them did not exist. None of the great generalisations which now guide engineers as to what is possible of achievement, and what is not, in engine efficiency had been fully formulated when the Institution was formed. The materials of construction were limited to cast iron or copper or wrought iron laboriously produced, and machines for shaping metals were equally rudimentary.

Nevertheless, these pioneers approached their problems in the spirit of true scientists. They looked upon every new engine they built as itself a scientific experiment, just as, in the same way today, every big engineering venture which breaks new ground in its design, such as a new power station, a gigantic boiler, or a new design of engine, is still looked upon as an experiment whose performance has to be carefully studied as a guide to the next step. The difference, however, between the past and the present is this. Today it is possible to analyse the factors which influence the design, and to base the design itself on background knowledge and data collected from fundamental research.

Throughout its life your Institution has played a prominent part in

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encouraging this background research, which from the earliest days you have regarded as essential to progress, and in the past much useful work was initiated and financed by your Research Committees.

Times are changing, however, and it is becoming evident that while there is much work that an individual can carry out, such as the mathematical and theoretical studies of Professor Southwell which you have recognised by awarding him your Clayton Memorial Prize, many other problems now require for their solution teams of research workers which can be organised only under conditions which can be provided in the Universities with Government support, or in Government laboratories, or in Research Associations or in the Research Departments of our large firms.

In these changed circumstances one of the most useful functions of your Institution is now to direct attention to the problems which require urgent investigation. Recently you have rendered very great assistance in this way. For instance, you have allowed your able Secretary, Dr. H. L. Guy, who was one of the Government's most trusted advisers on engineering matters during the war, to preside over a Committee of my Advisory Council of Scientific and Industrial Research, which surveyed the post-war needs for basic research in mechanical engineering science. As a result I have agreed to the setting up under D.S.I.R. of a new Mechanical Engineering Research organisation, and to guide its work I have appointed a Mechanical Engineering Research Board, of which Dr. Guy has consented to be the first Chairman. The Board will carry out research which will be fundamental to the future development of all branches of mechanical engineering and the results of this work will be freely available to British engineers. At first much of it will have to be done at the Universities and in existing Research Establishments such as the National Physical Laboratory, but as soon as manpower and buildings become available we propose to erect a special Engineering Research Laboratory. The full realisation of our plans must, I am afraid, wait for a number of years but in the meantime a great deal of useful work will be done with the facilities which already exist.

If we add our earlier achievements, to which I have referred, to the nation's engineering achievements in the war in the construction of weapons, aircraft and in mechanical transport of all kinds, I don't think that anyone can maintain that our technical men lack inventive-

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ness. Nor can a nation which has built the largest and fastest liners and holds the speed records on land and sea and in the air, be really bad at applied research. It may, however, be true that during the fifty years up to the outbreak of the last war, our technical men and our scientists did not receive the encouragement they deserved. The reason I think is tolerably clear.

When we were a rich country and, as a result of our overseas investments, were able to buy everything we wished to buy abroad, and indeed had to buy if we were to get a return from our foreign investments, it was only natural that the financial and accounting sides of industry should assume a very prominent part in the control and development of industry, and that we should be inclined to neglect the technical and selling sides. Now that conditions have changed, and we have to rely on what we can produce ourselves, and sell to others to keep the nation solvent, we must again turn to our technical men and to our scientists and rely on them to take the lead as they did when this country's industrial wealth was first built up. The task will be harder because we must now face the competition of other countries, but we are not in the habit of being defeated by difficulties. In the battle before us our mechanical engineers are our armoured divisions. I like that metaphor because it is a reminder that engineers and expert technicians of many other kinds are specialist troops in a very large army of very diverse composition. It is right and proper that a great body of this kind should have a feeling of pride in itself and in the very highly skilled vocation which it represents. But what is the true basis for this pride? Is it not the fact that you have an opportunity of offering special service to the community in general?

We are now moving forward rapidly into a phase of social development in which all sections of the community are much more closely related together than ever before. The idea of planning is by now above and beyond party politics. There is only one basis on which planning can succeed in a democratic society and that is the conscious understanding by each section of its place in the community as a whole and the deliberate acceptance of the resulting obligations and loyalties.

You are all of you loyal servants of your corporations or firms, your employers or clients. I would ask you to bear in mind that there is, or there should be, no conflict between that loyalty and the wider loyalty to the interest of the community as a whole which the times demand and which I know you will display.

Britain's Parliament at Work

September 18th, 1948

To the Southern Regional Council of the Labour Party

TODAY we can look back on the first three years' work of the present historic Parliament since its election in the summer of 1945. During that time I have had the honour of being Leader of the House of Commons. Let me tell you of our Parliament's work.

Parliament lies at the heart of our democratic institutions. It is profoundly important that it should do its work efficiently and well and that the nation should have confidence in its effectiveness. Of course we, in this country, often grouse about our national institutions and call them hard names, but what matters is what we really feel, deep down. If there should ever be a general feeling that Parliament is a futile body and that the House of Commons serves no useful purpose—then things will look grim for our democratic way of life.

Parliament, and more particularly the House of Commons, emerged from the war with its reputation enhanced. Once again we had proved that parliamentary government could not only survive the terrible test of war, but could wage war successfully and victoriously. When I sit in the Cabinet Room at No. 10 Downing Street, I often think of the history that has been made within its walls. But equally, when I sit on the Front Bench in the House of Commons, my mind sometimes travels back in fancy to the House of Commons that fought and won the long wars against France in the seventeenth and eighteenth

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centuries, the desperate fight against Napoleon, the struggle with the Kaiser's Germany in 1914-18 and finally the greatest and most dangerous threat of all from which we emerged victorious in 1945. Parliament and people also fought and won the battle for constitutional government. The members at these various times were British folk with all the fine qualities and the imperfections of our people. Through Parliament they were able to canalise and give force and expression to the free spirit of a free people, determined to maintain its liberty, whatever the cost.

Parliament, then, emerged in 1945 with its reputation enhanced. Our problem was whether, in the less dramatic atmosphere of peace—or at least of absence from active hostilities—and all the bickerings of party politics, we could help to maintain the reputation of Parliament and to make it an effective democratic instrument for all that had to be done in this inevitably difficult post-war world in which we find ourselves.

Scrutiny of Government Policy and Control of Finance

Now the first point I should like to emphasise is that Parliament, and more particularly the House of Commons, does not exist simply to consider Government proposals for legislation. It is also the duty of the House of Commons to control financial expenditure, and to scrutinise general Government policy; and some people would say that these functions are in the long run more important than the function of considering Bills for legislation.

In this, as in other matters, the Tory propagandists adopt a line of destructive and irresponsible criticism divorced from the true facts. They present a picture of a Parliament in which the Government has monopolised the whole of the time, which has had a mass of legislation pushed down its throat without reasonable time for consideration, a Parliament in which the Opposition has been gagged and steam-rollered. As I shall show you, this picture of the work of the present Parliament is not even a caricature of the facts—it is absolutely unrelated to the facts.

Let us take the latest parliamentary session—that of 1947-48. What you are not told by our reckless Tory propagandists is the amount of time set aside primarily for the purpose of giving the Opposition and

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the Back Benchers of both sides opportunities to debate and freely express their views about Government policy and administration. Out of 171 sitting days no less than $82\frac{1}{2}$ days were occupied by essential business arising out of the administration of the country's affairs ; and, of those $82\frac{1}{2}$ days, 55 days can fairly be described as Opposition time or time deliberately afforded to enable Parliament to discharge its critical functions.

Apart from Finance Bills, legislation of various kinds only occupied $88\frac{1}{2}$ days on the Floor of the House—that is to say about half of the available parliamentary time. This relatively small proportion of time spent on legislation completely destroys the story about Parliament being nothing but a legislative sausage machine.

At the opening of the session, there was a debate lasting six and a half days on the Address which gives the House the widest opportunity to discuss the Government's programme and general policy.

A further $12\frac{1}{2}$ days were devoted to discussions on Government Motions put down for the purpose of enabling Parliament to challenge Government policy if it so wished, and for Debates on the Adjournment provided out of Government time for special Debates to meet Opposition requests or the general wishes of the House.

Twenty-six days were devoted to Business of Supply, when it is the right of the Opposition, and on certain days of private members, to choose the aspects of administration and policy which they desire to criticise. In addition, there were four days' Debates on the Consolidated Fund and Appropriation Bills—time which was also under the control of the Opposition.

Four days were devoted to Debates on the Adjournment at Recesses, which provided opportunities for Back Benchers of all parties to ventilate grievances.

Two days were given to motions relating to Orders, quite apart from the time found for discussing whether some of the large number of Orders laid before Parliament should be disapproved.

There were $6\frac{1}{2}$ days for House of Commons and procedural business.

The Budget and Finance Bills involve legislation but they give extensive opportunities to the Opposition and to all Back Benchers to criticise and review the financial and economic policy of the Government. In this latest session there were two Budgets and two Finance Bills and they occupied in all 21 parliamentary days.

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Now let us look at the way in which the House employed this time devoted to the scrutiny of Government policy and finance. It covered a vast field. In home affairs, we had general debates on the country's economic position, the capital investment programme, the national health service, cinematograph films, socialised industries, town and country planning, the state of Wales, the state of Scotland, housing, agriculture, rural water supplies, and so forth. We discussed the state of the national defences, the Territorial Army, naval warfare and the pay of the Armed Forces. We went round the world as we debated foreign affairs, Germany, Palestine, the Geneva Tariff Agreement, India and Burma, and the production of groundnuts in East and Central Africa.

In addition to these important debates occupying half a day or a whole day, the half-hour at the end of most sittings is available for private members, chosen by ballot, to raise matters of public interest. This is a much valued privilege. These half-hour debates cover a very wide field. Last session, the subjects included football pools, the warble fly on cattle, the City of Jerusalem, beer supplies, the development of Southern Rhodesia, overfishing in the North Sea, Polish Army welfare funds, the delays of Government Departments in answering letters, the Russian-born wives of British subjects and so on. In all about one hundred and fifty matters were raised, usually in most vigorous terms, by private members, and a reply given by the Government where its policy was being questioned.

I have not mentioned that valuable and unique institution of ours—Question Time, when Ministers are closely examined about any of their varied functions and when grievances are dealt with. About four hours a week goes this way, and in this last Session with which I have been dealing no less than 16,303 Parliamentary questions were asked, of which nearly 13,000 were oral and received spoken replies from the Government Front Bench.

You will see from this factual summary how fantastic are the stories of a gagged and Government-driven Parliament and flighty pleasantries about the legislative sausage machine.

If there is any fault with this Parliament, it is the effete and ineffective Opposition. They are erratically led, ungeneralled or over-generalled according to the wind, fail completely to present alternative policies or constructive criticism and now and again fall

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back in desperation on "smart Alec" delaying tactics. Any good government would welcome a lively, useful and intelligent Opposition—for this is the very foundation of Parliamentary democracy.

There is one further aspect of the critical function of Parliament I should mention. As any M.P. would tell you from his personal experience, a great deal of the work of the House of Commons is done in its Committees. Here again we find that the work of reviewing Government activities in the executive field is carried on vigorously. There is a Select Committee which scrutinises Orders made by Ministers—delegated legislation as it is usually called. The Estimates Committee and its sub-committees examines the Departmental Estimates and issues reports on special points. The Public Accounts Committee scrutinises the public accounts, to see that the money has been spent in the way that Parliament directed.

Legislation

So far I have spoken of the functions of the House of Commons in keeping a wary eye on the activities of the Government—a function which falls primarily on the Opposition and which they have not discharged with any great success. I now want to speak about the work of the House of Commons in relation to the passing of Bills.

With no neglect of routine business and with full consideration and discussion of all the main issues involved, this Parliament has, in its first three years, placed on the Statute Book over 200 public Acts.

There has been a sensible and well-planned implementation of the programme embodied in "Let us Face the Future" on which the Labour Party fought and won the last parliamentary General Election.

How have we done it? How has it been possible without prejudice to the other functions of Parliament and without sacrificing full discussion of the main issues on each Bill?

The answer in part is that we have carefully planned how we should present our proposals for legislation to Parliament. No previous Government has seriously set about the businesslike planning of the legislative programme. The consequence of the previous lack of system was that Parliament did not adequately satisfy the legislative needs of the country. All this was partly due to incompetence and partly due to a Tory desire to be able to plead that it had no time to do the good things desired by the country. The Tories like to shed

crocodile tears over the excellent Bills they would have passed, if only they could have found the parliamentary time.

Largely, the old system was for the Government, not long before the framing of the King's speech at the commencement of each Session, to have a hurried search around to see what Bills should be introduced. We, on the other hand, have tried to plan the legislative programme for a considerable period ahead. This has enabled the drafting of Bills to proceed in an orderly fashion and for the best possible use to be made of the available time in each Session.

The second answer to the question how we have completed so large a programme of legislation is that we have brought about a number of sensible improvements in parliamentary procedure. None of these has improperly fettered parliamentary discussion. Some were designed to bring to an end needless repetitive and time-wasting talk, and some formalised improvements in parliamentary conduct which had come about with general assent. We have utilised more fully Standing Committees for the detailed Committee Stage of Bills upstairs. We have made the composition and procedure of the Committees more businesslike, having regard to the need for this stage of the examination of a Bill to be dealt with in true committee spirit. But Finance Bills and Bills raising substantial constitutional issues have been examined throughout at every stage by the House as a whole. We would not claim to be the first Government to have improved parliamentary procedure. Revisions have taken place in times past under Conservative and Liberal Governments. Parliament is a living body and has rightly shown that it is willing to adapt itself to the needs of the times and to improve its procedure in the light of experience.

The Labour Party can fairly say that there has been adequate time for the parliamentary examination of Bills, although to our sorrow we had to pass Allocation of Time Orders—somewhat unkindly known as Guillotine Resolutions—in respect of two Bills because, owing to the leisurely character of the Opposition speeches in Committee, it became clear that, unless such action was taken, there would not have been reasonable time left for the examination of the Bills by their Lordships' House—and that should surely not be a complaint against us by the Tory Opposition.

I do not wish to weary you with a long catalogue of the Acts we

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have passed but I should like to refresh your memory on some of them. When they are brought together in this way, they give you a measure of our achievement.

First of all we had a good deal of legislation designed to secure an orderly transition from war to peace. The economic organisation for war involved a great upheaval in our internal and external economy and the switching of a high proportion of our economy from peace to war purposes. When the war ended we were faced with the necessity of a vast and difficult economic adaptation together with all the problems of demobilisation and return of men and women from the Forces to industrial and commercial employment. The Tories would have let things rip with all manner of consequent injustices and hardships. We brought about a controlled and orderly transition.

The electorate had also decided that certain basic or common service industries—or natural monopolies such as gas and electricity—should be put at the service of the nation by applying the principles of public ownership, together with business management in the public interest.

This programme shocked our Tories very much, even though they themselves had socialised the telephones, the B.B.C., London water supply, and pretty nearly socialised electricity generation, quite apart from the trading undertakings conducted by Tory municipalities. The instinct for privilege is so close to the Tory heart that they even seem to assume that they have the exclusive privilege of socialising industry!

Despite Tory opposition, however, the new Parliament set about its task of socialising those economic undertakings which the electorate had decided it was undesirable to leave as private monopolies or in private hands. The industries which have already been the subject of socialising legislation are : the coal mines, Bank of England, overseas cable and wireless communications, the purchasing of raw cotton, most forms of inland transport, civil aviation, electricity and gas ; and the reorganisation of our vital and basic iron and steel industry on the basis of socialisation is to follow.

Throughout its existence the Labour Party has given prominence to proposals for social reform—social insurance, health, education and the care of children. In this field the present Parliament has done a greater work than any of its predecessors. The National Insurance Act, 1946, has given us a really comprehensive scheme of social

insurance covering unemployment, sickness and funeral benefits, old age and widows' pensions. In the same year the National Insurance (Industrial Injuries) Act was passed, which has modernised and put upon a human basis compensation for injuries suffered by workers in the course of their industrial employment. The National Health Service Act, 1946, laid the foundations of a really comprehensive health service which should make much improved provision for all classes of the community—though it is right to say that it will take time to develop and expand. The National Assistance Act, 1948, has finally abolished the Poor Law and reorganised on a national basis the assistance services, thus relieving the Local Authorities of the bulk of the remaining financial burdens they carried in this field. This Act constitutes a great landmark in British democratic social advance.

And so I could go on, but time is short and I cannot do more than refer to the important legislation dealing with agriculture contained in the Agriculture Act, 1947, and the statutes dealing with hill farming, inshore fishing and river boards, the Children's Act, 1948, the Local Government Act, 1948, the Criminal Justice Act, 1948, the vast field covered by the Town and Country Planning Act, 1947, the exciting pioneering work which is represented by the New Towns Act, 1946, and the great body of legislation dealing with industrial and commercial matters of which I shall only refer to the Monopolies and Restrictive Practices (Inquiry and Control) Act, 1948. Finally, we have given India and Ceylon their independence, enabled Burma to set out on its own and passed statutes designed to secure the development of overseas resources and intended to make the Commonwealth a force for progressive peace.

Some Essentials of Success

I have not attempted even to mention, let alone deal with, many other valuable Acts which have been passed in the public interest. What I have done is to show to you the well-thought-out and comprehensive character of the great legislative work of which our Parliament and our country are entitled to be proud. But I would add and emphasise just this: the passing of legislation is the beginning, not the end, of action. A great amount of administrative and organising work will have to be carried through so that the changes provided for in the legislation are successfully achieved with smoothness and

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efficiency. Man does not live by bread alone, and good government does not exist by legislation alone. We must therefore have a sound sense of balance between the time devoted to legislation and the time devoted to the implementation of the legislation. That will be especially true of the next Parliament.

In the field of socialised industry, for example, the nation—including the Labour Party and the Trades Unions—has much to learn. So have the management and the workers of all ranks engaged in those industries. Modifications in structure and organisation may well be proved expedient ; we must not get into ruts ; we must not in our turn become conservative any more than we must be reckless and irresponsible. Past and current history is rich in examples of the revolutionaries of yesterday becoming conservative or anti-social after their triumph. The Boards of socialised industries will, in my opinion, need to evolve their own separate and collective units for promoting both energy and happiness in the ranks of labour and management and remedying weaknesses and promoting a lively, cheerful, progressive efficiency. Self-criticism is necessary.

I have said that legislation is not an end in itself. I would also wish to emphasise, not for the first time, that the transfer of the physical assets of an industry from private to public ownership does not complete the process of socialisation. We have to infuse all ranks of the industry with a fine spirit of public service and to get rid of the psychological evils associated with the capitalist past. In fact we have to socialise men's minds—without destroying their individuality and enterprise—as well as socialising the physical assets. To ensure that success which our fellow-citizens will require, these things must be attended to. There is much to do !

Another important point to remember—I have often stressed it—is that the great social reforms which have been achieved cannot be successfully carried except upon the basis of a healthy economy. Everything has to be paid for. In the end all public expenditure has to be carried by the productive and economic energies of the people. We cannot take unless we give : nor ought we. These considerations add to the importance of management and labour developing a high standard of industrial productivity which is not only vital to the economic future of our country, but which is absolutely essential to the maintenance of good social standards.

Parliament at Work

The record of the present Parliament will be the subject of analysis and comment for many years to come. It will find and has earned its chapter in future history books. Our concern has been to ensure that its work has been balanced and efficient, has been directed wisely to the needs of our country and the Commonwealth, and has fully upheld the principles of democracy.

Such is the story of the work of our present Parliament—a Parliament which I hope and believe fair-minded historians of the future will describe as the greatest yet, the Parliament of Life and Progress.

Public Enterprise (I)

London, February 8th, 1948
At a public meeting in Brixton

SINCE the Government came into office in the summer of 1945 it has carried through a very large programme of socialisation, which will be continued in the present session by the socialisation of the gas industry. The Government will, within the space of a few short years, have brought the main services and basic industries on which the industries of this country depend, under public ownership and control. In our election promises we pledged ourselves to carry through this programme. We shall be found to have kept faith with the electors.

It is early days yet to look back and appraise the magnitude of the task and the efficiency with which it has been carried through, but I am myself quite sure that future generations will regard what we have done as a great achievement, carried through to successful conclusion in difficult times of economic stress and strain.

It is not the British way to lay great store by forms of organisation. We tend to feel that, given the right men, they will make any organisation work. We much prefer an organisation which has been tried out and tested, and has been added to and altered from time to time in the light of developments of one kind or another.)

This would hardly have done for socialised industries. In the case of many of them we had to create some kind of central controlling organisation; and the field was too large to leave success or failure solely to the personalities of those who were to control the industries, though personalities do matter—very much. We have, therefore, tried to adapt the organisation in each case to the particular needs of the industry or service concerned.

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In the case of aerodromes we have followed the model which our fathers would have adopted and have made their running the direct responsibility of a Government Department—in this case the Ministry of Civil Aviation. We have a well-trying example of this form of socialisation in the Post Office, and—although you will not find bouquets handed to the Post Office from some quarters—it is, as a whole, an efficient and progressive organisation with many technical developments to its credit.

✓ *Public Corporations:* In the case of most socialised industries, however, control has been vested in a public corporation which is independent of the Government in matters of day-to-day administration.

The public corporation has been described as the most important innovation in political organisation and constitutional practice in our time. Credit for the introduction and development of this conception rests with our country like that for many other forms of successful political organisation.

Before the war we had several examples of the public corporation in the shape of the Central Electricity Board, the British Broadcasting Corporation, the London Passenger Transport Board and various Marketing Boards. The scope has been greatly widened in post-war years. In the twelve years before 1939 only four major public corporations were created. In the two years 1946 and 1947 no less than eight such organisations have been created. These control the Bank of England, the coal industry, telecommunications, raw cotton, electricity, and transport, and two corporations have been set up to further colonial development.

Objects of Socialisation : We should always keep clearly in mind the objects which we hope to achieve by the socialisation of an industry. If we fail to do this, we lose a clear vision of the circumstances in which industries should be socialised and, in the case of those which have been socialised, we may fail to gain the full benefits of bringing the industry under public ownership and control.

✓ Socialisation is not an end in itself. The transfer of ownership from private persons or companies to public authority is a means to an end—not the end. What we are trying to secure are better public service, greater efficiency and economy, and the well-being and dignity of the workers by hand and brain employed in the industry.)

Let us look at some of these objects of socialisation in greater detail.

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Better Public Service : There is an enormous field for improvement in some of the basic services which have been brought under public ownership. Consider the railways. I have nothing but praise for the way in which everyone on the railways tackled his wartime job and for the way in which they have since given good service to the public with equipment which ought to be replaced but which cannot yet be replaced because of the restrictions on new capital works. We must, however, do everything we can, always on an economical basis, to make travelling speedy, comfortable and safe. We must as soon as possible brighten the railways, make railway stations attractive places, revolutionise the whole catering system and consign to the limbo of forgotten things the jokes about railway buns and sandwiches.

Similarly, in the field of fuel and power, it will be possible to work out a thorough-going policy for cheaper and plentiful electricity supplies. We must bring cheap electricity to the rural areas which have been largely starved of electricity in the past because most supply companies, with one or two honourable exceptions, looked to quick profits and were unwilling to undertake long-term development work. As between gas and electricity, we shall try to maintain the necessary element of healthy emulation.

This use to best advantage of our various public services and basic industries will be reflected ultimately in the prices charged for the various services and products for which they are responsible. In the past the private monopolist was inclined to extract what he could from each class of consumer. This is not the right basis of charging from the national point of view ; and all the industries which we have nationalised must very soon get down to the question of prices and charges.

Thus, the National Coal Board are trying to devise a new and more rational price structure for the coal industry. The Board are approaching the problem of their new price structure on entirely new lines—designed not only to enable the Board to pay their way but also so to price coals of different quality as to reflect their respective values for the primary purposes for which, according to their characteristics, they can best be used.

Publicity : We shall endeavour to give the maximum amount of information about the running of the various socialised industries. The various Acts of Parliament setting up the socialised industries

require the Boards to submit annual reports which are placed before Parliament and are published. Incidentally, this is a great improvement on the kind of information supplied by a company at a shareholders' meeting. As you will know, the earliest of these annual reports—those of the three Airway Corporations—have now been published.

Research : As a nation we are superlatively good in matters of fundamental research, such as is carried on in the laboratories of Universities throughout the country. We can lay claim to a great deal in the enlargement of man's knowledge about the physical and chemical structure of the Universe. When it comes to the application of some of this material to the improvement of industrial processes we have not perhaps, in the past, taken full advantage of our abilities or our opportunities. In the difficult, highly competitive world in which we now find ourselves it is extremely important that we get into the van in matters of new discoveries and new industrial methods and maintain a lead in as many fields as we can.

From this point of view, the socialisation of common services and basic industries offers opportunities which we must grasp to the full. A large organisation like the National Coal Board will be able to conduct research in a far more effective manner than the eight hundred colliery companies which it replaced or the research organisations which they subsidised. We are probably at the beginning of a stage in the history of coal in which it will cease to be regarded primarily as a source of heat to be thrown into domestic grates and factory furnaces and will be regarded as the raw product for innumerable valuable commercial products.

There are also great research opportunities in electricity and gas. In the field of transport there are whole ranges of research problems which have still to be explored with a view to providing a more efficient transport system.

Relations with Workers : One of the most valuable results of socialisation is that the workers in the industry are no longer operating for private profit but can feel that they are performing a public service and that the nation at large will benefit from all the exertions that they put forth.

We must develop the sense of working for the public weal and harness it to the national advantage. In this connection I should like to say something—on which too little has so far been said—about the

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work of the National Coal Board in establishing machinery for the consultation with their employers on matters of common interest. Quite apart from wages and conditions of employment there are questions, such as the Board's development policy, their welfare and educational activities, their recruitment and training policies, which are of vital concern to the workers and on which there is, or should be, a community of interest between management and men.

The structure of the consultative machine corresponds broadly with the structure of the National Coal Board itself—the pit, the Area, the Division, and the national level. It has representative councils or committees at four levels. At the national, divisional and area levels the consultation is with organisations representing employees, at the colliery level consultation is with representatives of workers, elected at the pits.

These arrangements provide for the fullest exchange of information and ideas and for joint consultation on all matters of mutual interest arising out of the exercise by the Board of their statutory functions.

What the National Coal Board is doing, is also being done by the Airways Corporation and will be done by the other socialised industries. All these plans for consultation help to develop the sense of public spirit in workers and management. All workers in socialised industries must realise that they are now working for the nation and that they have public obligations as servants of the public.

Problems : Of course the development of the newly-socialised industries is not all plain sailing. We are on every hand presented with problems, some of which are so vital that the future success of what we are doing may turn on a wise solution being found for them. We can't stand still, for there always will be problems.

Decentralisation : There is, for example, the problem of the division of responsibility between the controlling Board and its subordinate organisations. This is a question which affects every large organisation, public or private. It is not easy, on the inception of a scheme, to get the right balance between those matters which must be decided centrally and those which can be more efficiently dealt with at a lower level.

It should not be too readily assumed that a certain degree of centralisation is for all purposes and in all circumstances a bad thing. When the general standards of practice in an industry have been low

in the past it is possible, by requiring prior approval of the central organisation for a major development, to attain a more rapid improvement in pre-existing standards than could be achieved if the local agencies were left largely to their own devices in a fully decentralised industry.

And don't believe all you hear from some quarters about over-staffed boards. The total number of managerial, technical and clerical staff employed by the National Coal Board is between 20,000 and 22,000, as compared with 20,000 before nationalisation. The salary bill for this staff (again excluding miners) amounts to about 1s. 3d. a ton as compared with something more than 1s. 2d. a ton before nationalisation. Still, we must not rest on our oars. We must try to reduce these overhead charges substantially below those prevailing in the bad old days when thousands of company directors levied their toll on the coal industry.

Decentralisation is most valuable for enabling further progress to be made after general standards have been raised to a satisfactory level, and when freedom to experiment with new ideas, methods and techniques (whether of universal or localised application) gives rise to new knowledge and experience. They can then, through the co-ordinating activities of the central authority, be disseminated throughout the organisation for wider application and further elaboration. Without decentralisation of this kind, progress tends to be limited to what can be achieved by the imagination, initiative and enthusiasm of a few people at headquarters permeating downwards from the top, instead of there being a free flow of ideas and experience both from the bottom upwards, and from the top downwards.

Complacency and Extravagance : It is often alleged by opponents of socialisation that a public authority has a tendency to complacency and towards extravagant, if not inefficient, administration. These allegations are often wildly exaggerated, and it is noticeable that the critics are silent about similar faults in large-scale private organisation. Still, there is a danger to be watched.

Management and workers alike, in all these industries, must remember that one of their prime objects must be to provide the public with as good a service as they can, at as cheap a price as is possible. Everybody in socialised industry must remember that his first task is to serve the nation faithfully, economically and well.

Public Enterprise (II)

London, April 9th, 1948

From an address to the Chairmen and Members of Area Electricity Boards at a British Electricity Authority Conference

I DO not propose this morning to go over past history by discussing with you why the Government decided to bring electricity supply and distribution under national ownership, though you gentlemen will know from your intimate knowledge of the industry how unstable the position was in a number of respects under the old regime, with local authority purchase rights hanging over many of the company undertakings, the possibility of holes being made in the areas of some of the company undertakings and the fact that the areas of electricity undertakings bore little relation to the best balancing of the load.

A thing which I think is important to do as soon as you can, and you will not do it in five minutes, is to develop in the minds of the officers and workers in the industry a pride in their undertaking, a pride in their Area Board, in its corporate being, and, let us hope, a genuine belief on their part that their Area Board is better than any other Area Board. If they all think that, it will be fine. I remember that, when Labour came into power on a large number of Metropolitan Borough Councils soon after World War No. 1, within a short time all the Labour majority members had got the best Town Clerk in London—all of them—and they all had got the cheapest electricity in London ; and they believed it. It was a good thing that they did believe it : it is the right spirit. What we need as soon as possible in these great new undertakings is pride in the undertaking, pride in the corporate entity, pride in its achievements—and a determination at the same time to get more achievements.

What I want to talk about this morning in some detail is “how the public interest can be advantaged” by what has been done.

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I have always used such influence as I have to press the view that socialisation should be carried through, not on ideological grounds, but where it will benefit the consumer, producer and the nation at large. From my point of view, the passing of socialisation legislation does not mean that everyone concerned can breathe a sigh of relief and say : "We have done it," but rather the beginning of an intensive drive to inculcate into those concerned with the management and working of the socialised industries the objects which it is aimed to achieve through public ownership.

The first thing we seek is *greater efficiency*. Amid some handicaps, you start with substantial advantages. So far as concerns generation by the British Electricity Authority, we have got rid of the disadvantages of the previous division of responsibility between ownership and control of the generating stations. There should be no conflict now between technical efficiency and national economy on the one hand, and local expediency on the other. The extension of existing and the location of new stations can now be determined solely by considerations of technical efficiency. The design of generating plant and the supervision and co-ordination of contracts for its manufacture come under one direction. The British Electricity Authority can use the existing technical skill to the best advantage as between the different generating stations. All these seem to me to be great advantages from which much benefit should flow.

I should like to refer briefly to some of the detailed tasks which fall to you in the new conditions. Dealing first with service and sales, some of the service organisations of the private companies and the municipalities were good—very good indeed. Others were middling. Others were not so good. It is of the greatest importance, I suggest, that the consumer who is in trouble with his equipment or his installation should be dealt with sympathetically. Even if he is a fool, even if he has turned the wrong switch twice and you have told him not to do it, still be kind to him. Your business is to be the friend of the consumer and to make the consumer a friend of yours. It is very important that the man or woman in trouble with the electrical installation, whether in a house or in a factory, shall be able to ring up the Electricity Board and be sure that some kindly and helpful person will come along to help him or her out of trouble. That will make a great deal of difference in the relationship with the consumers. There

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are plenty of examples in the former undertakings where this was done successfully.

Next I would refer to *the dovetailing of these industries into the national economy*. I said at the beginning, Lord Citrine, that I should try to show how the public interest would be advantaged under the new regime—what objects we should seek to achieve. I spoke of the need for the efficient generation and distribution (I use the words of the 1919 Act) of a cheap and abundant supply of electricity. That I place high among our objectives, but the socialisation of the industry has two further consequences which I want to mention today.

The first is that we must use the new structure to dovetail electricity generation and distribution as effectively as we can into the rest of the national economy.

The Minister of Fuel and Power has been given powers in respect of schemes of reorganisation and development and of training, education and research which he must use to ensure that your programmes fit in with those of other essential industries.

In particular, it will be necessary to secure a closer measure of co-ordination than in the past in the respective spheres of the fuel and power industries.

In the past the gas industry has proved a lively and competent competitor of electricity in many areas, and is entitled to great credit for the bonny fight which many of the gas undertakings put up against the onward march of the new power of electricity. I hope that the strong element of competition and emulation will remain under the new arrangements—within the electricity supply industry itself, within the gas industry itself and between the two industries. Let the fight go on ; the public will get advantages from the competitive struggle between the two industries. Socialisation does not mean merely going easy. Nobody must feel : “Well, the situation is transformed, we can have a quiet life ; security for all time has come.” That must not be. We must be alive always, looking for trouble always, looking for imperfections and looking for the chance to make things better. Let there be light, certainly, but let there be life and vigour too. There should be competition between gas and electricity, and within the industries. I believe that there will be room both for competition between the industries and for certain forms of co-operation between them. It may be that in certain areas a dovetailing

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of plans for the production of gas and the generation of electricity can lead to economies in both industries. The motto I suggest is "Competition and co-operation."

Now I want to say a word about *public accountability*. The last aspect of the public ownership of electricity with which I wish to deal is the question of the public accountability of the British Electricity Authority and the Area Boards. You may have noticed that there has been considerable discussion about the extent to which there should be day-to-day questioning of Ministers in Parliament about the affairs of the socialised industries, and I should like to devote a little time to the Government's conception of the way in which the public boards should be accountable to Parliament and to the public.

I wish to refer briefly to the public accountability of the various boards under four heads—the public, the consumer, the Minister, and Parliament.

Let us take first the public. There is a sound tradition in this country of giving as much information as practicable about the work of public boards. I know that you will follow and develop this tradition. Annual reports should be as full and informative as possible, without being tedious and stodgy. Moreover, the publishing of material should not merely be an annual affair. In the case of coal, for example, under the National Coal Board, information is given in the Monthly Digest of Statistics published by the Government. The National Coal Board issues statistical statements quarterly, giving costs of production, proceeds and profits and losses of collieries by divisions. The Ministry of Fuel and Power issues weekly statements to the press on coal output, consumption and stocks. A wealth of information is, therefore, being made available in the case of coal, and the same should be true of the other socialised industries when you all get into your stride. On the other hand, it is wise to beware of so many statistics and so much information that nobody can possibly absorb it. A sense of proportion is needed, but I would urge you to take the public into your confidence to the fullest practicable extent.

Next, as to consumers, far too little has been said in public about the special arrangements that are being made to enable consumers to bring their point of view to bear on the boards of socialised industries. We are trying new methods, and, from such experience as we have had, we believe that they will prove to be successful.

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Before the war, such consumers' councils as existed were for the most part of bodies drawn from consuming interests, which put forward their complaints to the responsible Minister. These consumers' councils did not come adequately to grips with the boards about which they were complaining, and some of their work had an air of unreality or, at any rate, did not result in effective action.

A step forward in much of the new legislation has been to put the board, as well as the consumer, on the consumers' council, so that council becomes a forum for a discussion of their difficulties by the consumer and the board—face to face. The users of the goods and services provided by the boards can discuss any defects or inadequacies direct with representatives of the board and can make suggestions for improvements. The boards can bring to the notice of users any difficulties with which they have to contend and any ways in which the users themselves can assist in the provision of better services.

Even if the consumers and the board fail to reach agreement and the consumers put forward recommendations to the Minister, these recommendations will at least be made in the full knowledge of the difficulties with which the board is faced and are, therefore, much more likely to present the Minister with a practical proposition.

By contrast the position in private industry is very different. Where are the consumers' councils to whom the users of electric lamps can appeal if they do not like the habits of electric lamp manufacturers?

Then there is the relationship with the Minister and Parliament. Your ultimate responsibility is through the Minister to Parliament. Ministers are responsible and answerable to Parliament for what they have done and for what they have power to do and have not done. The Minister is responsible to Parliament for any action he takes in relation to the industry. If a Member of Parliament thinks that the Minister should have issued a general direction which he had power to issue it will be competent for the Member to ask a Parliamentary question: "Will the Minister, for certain reasons, issue a general direction to the Board to do something or another." The Minister may answer that he thinks that it is outside the scope of the Act or that he thinks it would not be a wise thing to do, or that he will do it. Many M.P.s may find ways of putting more questions, but I do not want them to get into the habit of asking questions upon the day-to-day management.

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In the war, the Minister of Transport was responsible for everything that happened on the railways, because the Railway Executive was directly responsible to him for all its actions. We used to get questions like this every week : Why did not the train due at Liverpool Street at 4-15 arrive until 4-21 ? It fetters the commercial enterprise and the initiative of the boards if their people feel that every little thing they do may be the subject of questions in the House of Commons next week or the week after. On the other hand, for big issues of policy the House of Commons has its rights.

The position can be summarised very briefly.

Parliament can examine the Minister about the exercise of his responsibilities, day by day in Parliamentary questions, on the adjournment, and periodically on his estimates. Not only can Parliament criticise the Minister for what he has done, but also for what he could have done and has not done.

The annual reports which are laid before Parliament will from time to time be the subject of wide debate in Parliament.

If the board is in receipt of a grant from the Exchequer, this grant appears in the Department's estimates, for example with civil aviation, and is subject to Parliamentary scrutiny, including scrutiny by the Estimates and Public Accounts Committees.

Parliament has endeavoured to protect you from political interference in day-to-day management, and I can assure you that the Government will endeavour to maintain that position in your governing legislation.

Parliament will, however, insist on reviewing your work over a period of time, sometimes in debates on your annual reports and sometimes, perhaps, by judging your performance over longer periods.

Keep in mind these coming days of judgment. If you have a good story to tell, Parliament and the nation will bless you, and I can only say, in conclusion, as I said to many people when I was Minister of Supply in the war : "Go to it, and good luck to you."

I am very glad to be here and I do wish you all success, and wish you particular success, Lord Citrine, an old colleague and friend of mine. I know what energy and drive you will bring to this great public undertaking. I am very glad that this great change has come about ; I believe it is right, and I wish you every happiness and success in the vast responsibilities that now fall upon you.

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London, June 6th, 1947

To the Staff Side of the Civil Service National Whitley Council
at a Conference on "Manpower"

THE problem of civil service manpower which brings you here today must of course be considered against the economic background. You will not, I am sure, want me to repeat the immediate facts of the situation which have been outlined in the Economic Survey and elsewhere. On the surface our economic situation is changing very fast, but beneath the surface our problems remain much the same. In fact, more of our difficulties spring from our unwillingness to see ourselves defeated in the peace after having been victors in the war. Our victory cost us dear and will go on handicapping us heavily for years.

If we were prepared to accept a lower standard of life and to give up many of our ideals and to renounce a great part of our responsibilities in the world, it would not be so very difficult to deal with our economic situation. We would just see what resources happened to be available to us and use them as best we could, hoping that they would increase, but not making any concerted effort to increase them. Then we would have to cut our social services and our overseas responsibilities and accept heavy unemployment and a wretchedly poor diet and in this way we could struggle along, letting the economic situation dictate our actions.

That, after all, is what any Government before this war would have thought natural and inevitable. It was done most drastically after 1918 and again in 1931, but that is not our way now and any Government which sought to take that way would find the gap between our national

requirements and our currently available resources impossible to bridge by any acceptable means. What used to be called living within our means and cutting our coat to suit our cloth is simply not practicable in the short run for this country. It would be suicide for us and it would be ruin to the world.

We must, therefore, go the opposite way about it. We must set about making enough cloth for the coat which we think will fit us. To do this means a great effort and the greater the effort the more organisation is needed, and in modern conditions more organisation means more government.

It is no use having illusions about this. Any person or group who asks for more of almost anything in the post-war circumstances of Britain is in fact asking for more government. The classical conditions in which more could be got by the free play of the market have ceased to operate for us for the time being. It is no use people asking for more houses or more health services or more coal or more clothing without being prepared to face the fact that they are asking for Government intervention. That should not be forgotten, but we must not forget either that jobs which are laid upon the Government machine must be carried out with maximum efficiency, energy, and economy.

The more people ask for in relation to resources, the more strain is thrown on the whole government machine. That is where you and I come in. We have to try to translate the innumerable requirements of the British people into workable shape so far as they involve government. We have, then, to try to find additional resources to meet the very large fraction of these requirements which cannot be met out of the resources immediately available. It is a thankless task always to be cutting people down, rationing, controlling and regulating. We all want to see the emphasis put the other way, on an expanding economy and more elbow room all round. Some people argue that the very existence of controls and rationing damps down enterprise, discourages economic recovery and tends therefore to perpetuate controls. It is for the Government to prove this argument unfounded.

We can already claim—largely through that new branch of the Civil Service, the Information Services—to have awakened the nation as never before to the need for production, the need for good management and efficiency, and team work in economic affairs and to the

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rightful status of the workers (who like us are doing essential jobs, but many of whom, unlike us, have to get their hands and faces dirty). The nation is now aware of what faces it, as it was not aware after V.J. Day, or even a year ago. That is a big gain, because history shows that when the British are aware of what they are up against their answer is not long in coming.

Our main economic objective is, therefore, only too simple; it is to raise our productive capacity and efficiency to the highest point. This objective of increasing *resources* must take priority for the time being over all the objectives of raising *requirements*, whether for social services, or consumer goods, or even desirable forms of investment. While we must carry on all our national activities as best we can, the main priority must be given to expanding the capacity of our economy to meet requirements of all sorts.

For this purpose we must, above all, be able to ascertain and to secure the best distribution of manpower. However successful we may be in other directions, if we fail to recruit enough coal miners in the pits and textile workers in the mills and agricultural workers on the land, all our other efforts are doomed to frustration. However dark our import position is, it is the lack of home-produced fuel and clothing and building materials and foodstuffs which cause the greatest stringency today, and these shortages go back partly to the fact that the Government did not feel justified in directing people into these under-manned industries after they had been stripped of able-bodied manpower during the war. The fact that men are now pouring into the mines about as fast as they can be absorbed, confirms once more that democracy can get the right results although it may take a little longer at the outset to get going. But this is not a matter of exhorting people to go into the pits or the mills. It involves the redeployment of the labour force so that everybody is employed to the best advantage, and so that by a necessarily complicated process what may seem to be irrelevant manpower savings in one part of the country or in one branch of the economy may ultimately secure the desired results.

You will see that in discussing the economic background it is impossible to go far from the tasks of the Civil Service. What a change has occurred since Gladstone's day! In those times the world seemed large and ample and slow moving. Even the skeletons were kept in roomy cupboards from which they only fell out one or two at a time,

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not like nowadays when every imaginable skeleton—international and domestic, economic or social—is firmly dragged out of its cupboard and put on the Cabinet table to add to the heap already there. Then again, until 1914, money was virtually the only method of control both of the entire economy and of the operations of government itself. The Civil Service existed to regulate with intelligence, integrity and accuracy a relatively small though widening fringe of functions which were admitted to belong to the State.

Now, in this shrunken, battered, post-war world, things move terrifyingly swiftly. Problems multiply and each runs into and modifies the next one. In addition to money we have many alternative and overlapping controls over construction and materials and the right to engage in specific activities.

All this means that the Civil Service needs not only to keep all its traditional qualities, but to acquire a whole lot of new ones. We still need a Civil Service which can hold the ring and see fair play in industry, but we also want a battle-winning spirit in the Service, in fact we need the ability to go into the ring and seize the initiative in many fields where the country is rightly waiting for Government leadership to become visible in administration. In a planned economy the Civil Service has a managerial function. Whitehall is a great head office of business enterprise with a whole host of branch offices, directly or indirectly dependent upon it. The Civil Service must adapt itself to this rôle. For example, departments which used for practical purposes to be self-contained units doing what seemed best to them in nearly all matters, now have to remember at every step that they are no more than "departments" of the larger whole which is His Majesty's Government and that a narrowly departmental attitude to affairs can only bring frustration and delay.

Again, the British people have a view of the State which is very different from that held in some parts of Europe. Our State is not an impersonal superior State which has a right to do things to us. It is simply an expression of ourselves as a group of human beings trying to do things together in a fair and orderly manner. We expect it to treat us like human beings, and as servants of the State we must see that the State is human, both in what it does and in its way of doing things, and, I may add, in the way in which its servants say things. Let us pay special attention to this last point—to the art of communi-

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cating with the public courteously and in easily-understandable language, whether it is in a Parliamentary statement, a press advertisement, ordinary Departmental correspondence, or over a Post Office counter.

I cannot miss this opportunity of saying some things I have long wanted to say about the British Civil Service. It does not wear a uniform like other services of the Crown and the work of the individual civil servant is inconspicuous and anonymous. There is very rarely any occasion when it comes up for special public notice. In the past a lot of people, some of whom did not want the Civil Service to take on too much or to build up a record of successful State action, took every opportunity of running down and abusing the Civil Service. Anyone who saw, as I did at the Home Office and Ministry of Home Security and at Supply, the way the Service stood up to its wartime tasks can only admire its great spirit and its immense capacity.

As you know, all sorts of precautionary plans were made against the danger that the Civil Service might find it impossible to carry on from Whitehall. Even in the worst days of the blitz it was never necessary to put these plans into effect. Bombs might rain down, Government Departments, such as the Treasury and the Admiralty, might suffer direct hits, and transport and communications might be disrupted, but still His Majesty's Government was carried on and the flow of instructions and background continued to pour out to every part of the world in which our war effort was being made.

In many places Civil Servants on their official duties came under enemy fire both at home and overseas. In spite of the versatility which was shown by the Service during the war I think few people even yet have any idea how varied are the jobs performed by the Civil Service and how many of them involve qualities very different from those which are from time to time caricatured in various quarters. In fact, just, as before the war there were those who used to depict all scientists as long-haired, absent-minded professors incapable of any practical contribution, until these same scientists came out in the front rank of war-winners, so some people still go on trying to depict the Civil Servant as a narrow-minded timid bureaucrat. It simply isn't true. Wherever you have a pioneering job, such as developing atomic energy, or radar, or jet propulsion, you not only find that Britain is in the lead internationally, but that among the British experts who are

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making the greatest contribution are Civil Servants of the scientific Civil Service, and Civil Service engineers and technicians. Civil Servants again are doing much to help private enterprise to be more enterprising. I was out recently, for instance, at a research station near London where Civil Servants were demonstrating new, easier and more efficient ways of laying bricks and preparing building sites.

When it comes to service to the public an organisation like the Post Office has a tradition which is more and more taken for granted. I heard a story how in the recent blizzards a Derbyshire village was cut off by deep drifts for many days on end. They could not even listen to the wireless as the electricity lines were down. Yet every day the postman made his way across country and got the letters through. Sometimes he was back so late that they had to send a search party after him. He was urged to give up until the snow melted but no one could persuade him not to take the risk. All he would say was that he felt, as his friends in the village were cut off from the world every other way, it was his job to keep them in touch by getting their mail through.

Then again, Civil Servants carry out more and more jobs involving the personal interests of their fellow citizens and how rarely is any fundamental complaint substantiated against their discharge of their duties. In some cases the State is actually in the way of competing for business. For example, the Public Trustee is chosen by immense numbers of people year by year to look after their most intimate affairs in preference to the other types of trustee whom everyone is free to choose. I could go on giving more and more examples of Board of Trade staffs working right round the clock to get the British Industries Fair ready in time for the curtain to go up, or the commando exploits performed by Ministry of Agriculture officers during the recent floods, but I think I have given enough examples to show that the Civil Servant today is a very different type from the caricature of him which still pops up in some quarters. I hope that some day these people will catch up with realities, which I am glad to see they have done in the case of the scientists—but if they are going to catch up they had better lose no time. The Civil Service is growing and adjusting itself very fast to its new responsibilities and I welcome this conference as a contribution voluntarily offered by the Service towards the further adjustments and improvements which it must

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make and make quickly in order to bear all the wider public responsibilities which have been laid on it since the war.

What I have said about the vital contribution which the Civil Service is making to the work of the nation is, I think, a sufficient answer to those who adhere to the hoary fallacy that when the productive manpower of the country is calculated the civil servant should be included on the debit side of the account. That is not however to deny the importance of economising in civil service manpower, and this brings me to the part which you yourselves—representing as you do all levels of staff in the Civil Service—can play in the great effort which the nation must make. I know that I can expect your co-operation and I am not here to weary you with exhortations. I know how great the contribution which the National and Departmental Staff Sides have made to the efficiency and smooth working of government as well as to the interests of their constituents over the years, and particularly since the emergency of 1938, and during and after the war.

I have said enough to indicate how fully my colleagues and I appreciate the importance of the varied functions which the Civil Service is called on to discharge and I well know the tremendous effort which the Service as a whole has been making for many years. But what I have said will illustrate the quite extraordinary importance at the present time of ensuring that the functions of the Service are discharged with the utmost economy in manpower. Do not think that I am in the camp of the carping critics. I am not. But we all know that there is no human machine or organisation that is incapable of improvements. What I do ask of you is that you should be ever on your watch for any and every expedient and device that will get our work of government properly done with the lowest possible number of heads and pairs of hands.

I know that many of you have been struggling against actual staff shortage. But few will deny that there are economies yet to be obtained—but not by the efforts of Ministers and Official Sides alone. If we are to cut out unnecessary processes, to take the shortest cuts, to adjust numbers without delay where work falls off and to see that every one of us is used to his best capacity, the Government needs the help and goodwill of every member of the staff—and especially of their association leaders. There must be no hesitation to make or to receive

suggestions, and not least to complain when, as is bound to happen from time to time in every organisation, there is not enough work to do. It should be the special function of the staff associations to provide channels for such suggestions and complaints, even or perhaps in particular those relating to insufficiency of work.

At this critical time the nation has to look to every section of the community to adjust its traditional attitudes to the need for greater output and efficiency, and the policies necessary for economic survival at a decent and rising standard of life. In industry this can only be achieved by understanding and co-operation on the part of both sides, and, in the Civil Service, on the part of Ministers, the Official Side and the Staff Side alike. We must have both discussion and action throughout every Department and at every level if we are to get the best results. I know that I can count on you to that great end.

The Communists (I)

Bournemouth, June 12th, 1946
To the Labour Party Conference

ONLY three months or so ago there were ominous signs that there was a possibility this Conference might decide that the proposals for the affiliation of the Communist Party to the Labour Party should be conceded, or, at least, that the vote would be a tight one, and I suppose as a consequence I was, much against my inclination, conscribed by the National Executive to undertake the task of defending the National Executive's point of view this afternoon. But we know now that, as far as one can predict any decision in this great assembly, the application will be rejected. Nevertheless, I think it is desirable that a reasonably adequate statement should be made of the reasons of the Executive for resisting the application. It is desirable that the rank and file of the affiliated organisations in the country should be familiar with the arguments on the point.

First of all, there are fundamental differences between the political conceptions of the Labour Party and the political conceptions of the Communist Party. We believe in constitutional government. We believe in Parliamentary democracy. We have every reason to believe, both by their doctrines as set out from time to time and by their practice, that the Communist Party believes neither in constitutional government nor in Parliamentary democracy. The Parliamentary institution, based upon a majority forming the Government and a minority conducting what are really essential tasks of criticism and opposition, is something in which they do not believe. They do not

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believe in the principles of civil liberty, and we do. We believe in the right of every citizen to denounce the Government, to criticise it, and to agitate for its replacement by another. If we had not possessed those political liberties we should have been unable to achieve our triumph at the last General Election. The Communist Party, in the making of its own policy, is a dictatorship radiating from the General Secretary to the Political Bureau down to the rank and file. The rank and file of the Communist Party have no great rights in the shaping and making of Communist Party policy. They get their orders from above. In our view, democracy and liberty and the principles of self-government will not mix with tyranny and dictatorship. Therefore we affirm that it is inconsistent as a matter of principle and practice for the Labour Party and the Communist Party to live in the same political family.

Next we affirm that the Communist Party is not only a political party, but it is a conspiracy. Indeed, it is a little doubtful as to whether it is not more of a conspiracy than a political party. The Communists have their Party members open and avowed, they have their secret members unavowed and undeclared but functioning in various Labour organisations and elsewhere, and they have their recognised "fellow travellers." They organise their fractions and nuclei in the Trade Union Movement and the Trades Councils as far as they can. They issue secret instructions to their people as to what they are to do, and the considerable amount of money they get hold of is itself a matter of mystery.

No doubt their argument is that this affiliation is necessary for the unity of the Labour Movement. Let us examine this, which is the principal argument for affiliation. We have had experience of the Communist Party outside our ranks and we have had experience of Communists admitted as delegates to national and constituency Labour Parties. We have had some of this "unity". They have treated us to opposition, both fierce and unscrupulous, in the course of their existence. They have, it is true, also, at times, insisted on giving us support, largely to our embarrassment, and even in connection with the preparation for the last General Election, when they were seeking to give us their support, they advocated a line of policy which was inconsistent with the principles either of Karl Marx, the doctrines of class-consciousness, or the doctrines of the class struggle. For what

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did they urge at that time? I will tell you. Mr. Pollitt said in a booklet answering certain questions, which was published in May, 1945 (as near to the General Election as it could be), that they would fight in the General Election "to secure the ending of the Tory majority, and after that election the continuation of national unity, but national unity based upon a new government having behind it a majority of Labour and progressive Members of Parliament. This will give a new meaning to national unity, one that corresponds to the real meaning of 'nation' and to the interests of the people. This new national government should include representatives of all Parties supporting the decisions of the Crimea Conference who were anxious to solve in this spirit the grave and urgent new problems that are bound to arise, and who will back an agreed programme of economic and social progress for the people of Britain."

Well, who were the parties that supported the decisions of the Crimea Conference? If we turn to the Parliamentary record we find that at the end of February and beginning of March, 1945, there was a debate in the House of Commons on the Crimea Conference decisions. In the division at the end of that debate 415 M.P.s voted for approval of the decisions and only two against, namely, the two I.L.P. members, who had demanded the division. Behind this policy for the General Election there was, therefore, first of all, a belief that Labour could not get a clear Parliamentary majority. That was defeatism, just before the election began. Suddenly, the policy was based on the belief that there should be another national Government, another coalition of Tories, Labour, Liberals, Independents and others—in fact, according to that Parliamentary vote the only people who were to be specifically excluded were the mild, small, unoffending members of the I.L.P., which I thought was rather rough on them.

This was the political mind of the people who were anxious to support the Labour Party at the last election. Outside this there were, as we have seen, stunt efforts and conspiracies from time to time. Moreover, during this very campaign for unity one Claude Cockburn, alias Frank Pitcairn, in a weekly sheet that he runs, had been specialising in malicious and untruthful gossip about the members of the Labour Government from week to week. We have had some experience of this kind of thing in earlier years. What were the results to the constituency Labour Parties? Was the result unity? It was not, it was

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constant squabbling, obstruction of business, until, at the end, some resolution slipped through as a result of this kind of method. This was not unity, it was a means of causing trouble, and the Communist Party pursue precisely the same methods today in many of the Trade Union branches throughout the country.

If they were in the Party in the new circumstances, as an affiliated organisation, they would in the light of experience, constitute an internal section of the Party, not very big in numbers, but highly developed in discipline, highly organised and highly instructed. There would be a conspiracy within the Party against the established leadership of the Party following Conference decisions. They would be working in the Party not so much for the Party as for themselves and their irresponsible policies. They would be organised in order to capture positions in the Party. Among their slogans they ought to have, "Join the Communist Party and do your best to get a job in the Trade Union Movement." Moreover, you can imagine what would happen in connection with a National Executive election. Candidates would be listed and efforts would be made to frighten some of the candidates to toe the Communist line in return for Communist support, and some of the weaker brethren might fall for it. All this has to be faced as a consequence of affiliation.

Again, seeking as they steadily do to subordinate British interests to external interests, they would be a positive nuisance to the Party from time to time, even though their efforts to subordinate British policy to external interests did those external interests more harm than good on most occasions. The risk is that we of the Labour Party would be in a position of joint responsibility for their foolish and pernicious escapades, with serious political disadvantages to the Party and very grave electoral embarrassment. The Party may not always easily dissociate itself from the more serious actions of its affiliated organisations.

We all remember the somersaults of the Communist Party concerning the war, first supporting the war, then opposing the war, and then supporting the war again. There were actual demands on their behalf, which I could quote, that we should open up a peace conference with Nazi Germany, which meant collaboration with Nazi Germany and the making of a peace with Hitler.

Next I may refer to what some delegates at least may think an

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important matter, and that is the fact that there has been more than one case—I speak as an ex-Home Secretary who held that office for a much longer time than nearly any other occupant—of espionage against the security of this country in which the Communist Party was involved. There were some very disturbing cases of this kind during the war. One of the most deplorable aspects of Communist activity is the choice of agents for this illegal work. It has chosen the young and simple and it has ruthlessly wrecked the lives of some of these young people for its own purposes. You may remember the case of Mr. Springburn, national organiser of the Communist Party, who was convicted for being involved in a case, and the judge, in referring to his type of activity, spoke of his worming secrets from a little woman clerk. That little woman clerk, the victim of Communist blandishments, had to suffer imprisonment. Then there was Captain Uren, another dupe of the Communist Party, a young man of 24, who was sentenced by court-martial to seven years' penal servitude.

The Conference must face the logical consequences of affiliation all the way through. If the Communist Party is affiliated that Party must have all the rights of Labour Party membership, or none. There can be no conditional affiliation except the condition of accepting the Party constitution and programme which they say they are willing to do. They would have a right of election to the National Executive Committee, and, therefore, a right to a full knowledge—at least, those members who were elected would have that right—of all the internal affairs of the Party. They would have a right to be members of the Parliamentary Party, to hear all the statements Ministers make to the Parliamentary Party about internal Government policy, which sometimes involves issues of considerable delicacy. Finally, they would have a right to consideration when it came to membership of the British Cabinet itself. Those are the honest logical consequences of affiliation which delegates must weigh up in their minds, and I am bound to say that I, personally, would not feel comfortable sitting in the same Cabinet where members of the Communist Party were participating in our discussions with access to secret documents.

I am not going to ask the Communist Party to liquidate themselves. I did that a few years ago, but they have not seen their way to comply with my polite request. It would really be their greatest service to the cause of unity if they would liquidate themselves, but I am afraid that

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they will not. They like their servile state; they like their iron discipline; they enjoy their inferiority complex. Nevertheless, there are some good but deceived people in the Communist Party—quite a number of them. I would say to them that if and when they have studied the matter and have become disillusioned about the Communist Party and its so-called line, let them come out of the Communist Party and let them play a loyal and effective part in the work of the Labour Party.

When the decision is reached, as I think it will be today, to reject the affiliation, we must look out and be on the alert for new Communist tactics. It may be that the honeymoon period will come to an end and that the period of open, active hostility and mischief will arise. We should be on our guard and be ready for trouble from that quarter.

That is the case against the affiliation of the Communist Party. We ask the Conference to support the attitude of the Executive by a majority so decisive that nobody will have any doubt as to where British Labour stands on this matter.

The Communists (II)

Grimsby, March 6th, 1948

WE have just seen in Czechoslovakia how Trade Unionism can be used against democratic public interest, freedom and social progress; and a few months ago we saw a dangerous situation developing in France in this regard which was, happily, surmounted at any rate for the time being. There is a minority in a large number of countries—in some cases they constitute the Government of the country—of Communists following the Fascist technique, some of whom it is becoming almost legitimate to call “Fascist-Communists” or “Communist-Nazis.” They seek by minority conspiracies to capture power and influence in the Trade Unions and when they do that the truly democratic control of the Unions tends to pass away.

They engage in these conspiracies for power, not for the purpose of furthering the well-being of the Trade Union movement, but in order to use the Trade Unions for subversive political ends. We have seen a Communist-controlled Government in Czechoslovakia use the Trade Unions for its own revolutionary and dictatorial ends. It must be a unique thing in history for Ministers to call a general strike. Yet this was done for the purpose of using industrial power to destroy parliamentary democracy.

In France, where undoubtedly the working people have been having hard times and have many fair grievances, a minority used the Trade Unions for the purpose of rocking the foundations of the democratic State and the authority of democratic government by **extra-parliamentary means.**

The Communists—(II)

These are great dangers. So I would urge all Trade Unionists to attend their Trade Union branches in good numbers, to prevent obstruction of the business by people who wish to force through bad policies at a late hour when half the members have gone home. See to it that the voting for the election of officers is representative of the membership. In short, be live Trade Unionists—not mere cardboard members.

* * *

If, as we know, the people of Czechoslovakia have a deep instinct and respect for parliamentary democratic government ; if, too, they, as a nation, are united in their earnest wish for friendship and good relations with the Western Democracies and with Russia on their East ; why has it been possible in so short a time to strangle their constitution and set up what amounts to a dictatorship ?

The answer lies in the fear of parliamentary democracy by the minority Fascist-Communists. By their actions of the past few days they acknowledge its strength. For it seems they were prompted by their fear of the coming elections. In no way could they have extended their power other than by intimidation, by the underhand and illegal force of non-parliamentary organisations and the murder of political freedom.

“There is no danger,” says Mr. Gottwald, “in giving arms to the people in a truly democratic state.” The short answer to that is that there is no *need*. The truth is that if you expel all who are not Communists or their tools from the police, and arm the rest with rifles ; if you organise and arm a party militia ; if you parade them through the streets ; if you give them red arm bands and order them to take possession of Government Departments ; if you, for no reason of industrial dispute but as a mere gesture of blackmail, call a general strike ; if you commandeer, or suppress, or censor news and newspapers and order the expulsion of individual journalists from their Union ; if you threaten foreign correspondents and curtail the sale of British and American newspapers ; if you censor your radio, deny proper access to the microphone, and are too nervous of the truth to allow the B.B.C. near it ; if you, in true Nazi style, go in for terrorist “purges,” and start tampering with your schools, your universities, your Civil Service, your local authorities, and even your Boy Scouts, your sport and your music ; if you arrest your political opponents and

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raid their offices ; if you coerce your President into excluding fair representation of political parties in your "coalition" government ; if you force parliamentary representatives to sign a declaration of agreement with you and your ideas ; and if, while you're doing all this, you make sure Parliament is not sitting, don't tell the British people that you are "truly democratic."

Nothing could have shown the people of this country and of the rest of democratic Europe more clearly the dangers of Communist trickery. There can be no mistaking the lesson for the Trade Unions and all voluntary associations of free men to be read in the hidden preparations and ruthless use of the Communist Action Committees. Let Socialist simpletons who urge co-operation with Communists take warning. Czechoslovakia today proves that the Communists are enemies to parliamentary or any other kind of democracy, that they will stoop to any depth of blackmail or violence in their attempt to seize power.

The warning will not be lost on the British people, nor, I trust, on the free democracies of France and Italy and elsewhere.

True democracy offers its citizens constitutional assurance and adaptability. Within the freedoms of its constitution are the living seeds of security and peace. Dictatorship, however falsely camouflaged in the colours of democracy, perverts constitutional practice to its own ends. There is freedom only for the dictator. For the people there is only dumb obedience and death in life.

Social Advance

July 12th, 1948

To the London Council of Social Service.

HERE at this annual meeting of the London Council of Social Service you have men and women who are doing all kinds of voluntary social work as well as representatives of many local authorities ; local government work itself is, of course, voluntary social service. Uppermost in your minds must be the wide new fields of usefulness which are opening to you as a result of the Acts which have been added to the Statute Book by this present Parliament, and which came into force a week ago. I do not propose to spend the time I have this afternoon in dealing with them in detail, and, indeed, you will get all the help you need towards making the new services work smoothly from the responsible Ministers and their Departments. You will forgive me, therefore, if I only refer to them briefly, because I also wish to mention other great social developments which with them are changing the social pattern of daily life and constantly increasing the value and responsibility of your work.

Democratic responsibility, the essence of good citizenship, cannot live or grow among men who are in constant dread of poverty, illness, unemployment, and the suffering and privation of their families. To give people a proper sense of earned security is, apart from all principles of human decency, indispensable to any call to national economic effort. Moreover, our economic effort would not be worth making unless its real object was the happiness and well-being of our people and the future of their children. But do not forget that economic drive and effort is an essential basis of social advance.

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The new comprehensive social security measures are—the *National Insurance Act* which unifies all insurance—one contribution, one card, one stamp, and covering practically everyone—and extends the benefits to cover illness, unemployment, retirement, death, as well as to assist mothers, widows and guardians ; the *Industrial Injuries Act* which replaces the old system of Workmen's Compensation ; the *National Health Service Act*, which seeks to put within the reach of everyone, rich or poor, adequate and timely advice and treatment, and, we believe, to bring about the time when, instead of going to the doctor when we're ill to be cured, we shall be seeking and taking his advice when we are well to keep well ; the *National Assistance Act*, which abolishes what is left of the Poor Law, recognises that poverty and destitution cannot be dealt with as crimes, and that citizens who are in difficulty and who are willing, given the chance, to help themselves are entitled to a helping hand from the nation or from the local authority. Under this Act, too, we look forward to providing comfortable and dignified homes for old people, who, in the past, existed in the dread of the workhouse and what they regarded as the shame of a pauper's funeral.

The citizen's contribution towards the cost of these social benefits is threefold. It is partly in cash. It is partly by his personal effort towards national economic health and stability—by his “productivity,” as it is called—and this is the most important, for the cost of the National Health Service, Family Allowances, and National Assistance are not covered by contributions and must be paid for mainly by general taxation. In other words, our social security depends, as is right, upon our national solvency. And, thirdly, the citizen's contribution must be in his co-operation with the administration and the services themselves. A little patience and goodwill on all sides in the early days will make a vast difference to the time it will take to get them working efficiently.

I am sorry that I have no time to say all I could wish about the important Children Act, which had resulted from the Report of a Committee which I appointed as Home Secretary in March, 1945, in consultation with the then Ministers of Health and Education. This legislation will make it possible to ensure for those children who are deprived of a normal home life, proper care and companionship, healthy surroundings, and full opportunity for happy development.

The social advance represented by these five acts should not be considered away from many other social services which have been introduced and have been active during the present century.

Take, for example, the work of the *Ministry of Labour and National Service*. Primarily, it provides a link between people and jobs. This is social service of first importance, for it is not merely a question of submitting names to fill vacancies. What has to be done is to make the best use of skill and experience, recruit to industries which are meeting a national need for production, do everything to fit the right man to the right job so that he is happy working in it and can give of his best. Add to that the advice on occupations and careers for people who are changing their work or to young people who are starting out on life, the help to disabled people, the training in 130 skilled crafts, the concern for welfare, safety and health, settling in the volunteers from Europe, the advisory services for professional and technical workers ; and remember the success of the vast job which was done in helping back to useful civil life men and women from the services, from Civil Defence and from the war factories and how that alone compares with the chaos after the first world war. Here is responsible social progress indeed.

Education is fundamental. The reason for education is to make good citizens able to think for themselves and to take their place in a socially responsible democracy. The 1944 Education Act was passed before the end of the war. It is uphill work. We are short of everything we need—teachers, buildings, everything except children, though we could do with some more of them—but we are making steady progress. Already we have 9,000 more teachers than we had before the war and hope to have nearly 50,000 more by 1952 ; over 400 new schools are being built and the size of classes is being steadily reduced. The school age has been raised ; School Health Services, free of direct cost to parents, are working ; 52 per cent. of all pupils are now having dinner at school compared with 4 per cent. before the war ; 88 per cent. of all school children now have free milk ; 106,000 awards have been made under the Further Education and Training Scheme ; State Scholarships have been more than doubled with consideration made for full maintenance, and this is apart from Local Education Authorities' awards ; and so on over the whole range of possible subjects, interests and opportunities. (I have only given

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you figures applying to England and Wales—there is fine work in Scotland to be added.)

In a period of world shortage and rising prices, we in Britain have, again by the use of administration and prompted by our sense of social responsibility, made sure that everyone has been able to get and able to afford the basic foods. Education in nutritional values, special extra foods for mothers and children—all are valuable social provision.

These are typical examples of how the machinery of the State is taking an active part in social advance. Almost every Government Department is making its contribution. Think, for example, of the encouragement in food production in gardens and allotments, the help to domestic poultry and rabbit keepers with getting on for 500 clubs in London alone ; the nation's 5,766 pig clubs ; think of how by encouraging industry with building licences and so on it has been possible to bring work and hope to the depressed areas—a £66 millions programme for 933 new factories actually completed or in course of construction ; think, even, of the great social service which is rendered every day over our post office counters—the family allowances, the pensions, the savings bank accounts and all the ready information ; think of the fact that, as never before, most of our workers now have a paid summer holiday.

What a great social change is this. And what greater social changes are to come when, after a few years as we hope, the new publicly-owned industries will bring wider travel facilities, electricity to the countryside, and are proving useful and willing servants of industry and of the public.

And, finally, the *Town and Country Planning Act* provides the opportunity to put Britain's revolution in everyday life in a worthy setting. It is, in the long run, perhaps the biggest change of all. Its realisation is farther ahead of us than the others, and will depend entirely upon our own faith and energy. Pleasantness and convenience of communities and dwellings make happy homes, healthy children, good citizens and neighbours and more civilised people.

It is very tempting to draw a comparison between the social conditions and opportunities of today and the days of Dickens. The recent British film, "Oliver Twist," gives us a sad picture of the bad

old days. It is even more tempting to me to compare today with the life of a London home and streets which I knew as a boy.

We have only to recall the drab misery of the back streets of our cities in the last century—the lack of pure water, the sewerage conditions, the employment of young children, the disgrace and crime of poverty, the dark squalor of birth with the ignorant tolerance of death of children and mothers, the slums with their lurid “pubs,” the poverty, destitution and heaped-up misery of it all—to wonder at the change which has taken place and, I think, to be thankful that the heart of our people went through it all unbroken.

But the change is not only in physical conditions. It is also a change in the outlook and in the responsible citizenship of the people. The society which allowed such conditions to exist made sops to its conscience by smug well-doing and calculated charity. But education and broad-based parliamentary representation have changed the nation’s social outlook. Now the people are using the machinery of democratic government to manage the resources of the State so that the social life of the country is not separated from its wealth. We are making a new society.

The London Council of Social Service is concerned to strengthen and encourage voluntary associations of every kind in the London area; an area which is especially rich in its tradition of voluntary service.

We sometimes fail to realise how fundamental to the health of a democratic society is the Volunteer—the man who, in addition to doing his daily job, is ready freely to give up a part of his leisure for some cause or other that he believes in ; it may be on the Committee of a Local Authority, or Church, or Chapel, or Trade Union or one or other of the voluntary bodies represented on the Council. These people who care about causes ; the adherents, the supporters, the belongers ; the Chairmen, Treasurers, Secretaries, Committee Members ; they have a special significance in our society. And those of us who are responsible for the administration of our statutory services must see to it that these quite indispensable men and women are encouraged and helped.

As the scope and opportunities of the statutory services expand it becomes increasingly important to consider how they fit in with the existing pattern of voluntary effort. There are certain services which

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because they are, or should be, universal, are the special responsibility of the statutory authorities. At the other extreme are what might be called the "unique" activities and associations and concerns. They represent the pioneers who point the way and the critics who keep us up to the mark. In between are a great variety of other services where statutory and voluntary effort can co-operate effectively.

It is the responsibility of the statutory side to encourage the variety and the freedom of voluntary associations ; to consult them in regard to new developments.

It is equally the responsibility of voluntary associations to interest themselves in the wider services provided by statutory authorities. Voluntary associations must not be content to maintain themselves and their own special environment, but interest themselves in getting the wider environment of society right also.

The development of what we now call the *Youth Service*, launched in the early days of the war, is one example of successful co-operation between voluntary and statutory effort. It began very much as an act of faith like so much else that was started at that critical time, and took the form of statutory help and encouragement for the thousands of voluntary youth associations in all parts of the country.

This is typical of the way in which volunteers can take a busy and honourable part in the great social changes of our time. The laws on the Statute Book and the Acts must now be made to work and to bring their full benefits to our country. The benefits must be earned. In such work there is unlimited scope for all men and women of good will—valuable voluntary work to be done in all walks of life—in community association and community centres, in salvage recovery, in national savings, in volunteer agricultural camps, in distribution of welfare foods, in hospital service, in helping the homes for old people and for children—to mention only a few out of hundreds.

Provision of information is vital, and your Citizens' Advice Bureaux are doing invaluable work. I wish them well, thank them and their workers for the great work they are doing.

My Lord Mayor, I am a great admirer of the London Council of Social Service. It now belongs to the spirit of this period of social progress, and its work is essentially good citizenship. As a Londoner, I commend your aims to my fellow citizens, knowing that they lead to the life that is full, complete and intelligible.

World Trade and Ourselves

London, July 8th, 1947
To the House of Commons

I MUST impress upon the House that the import programme provisionally decided upon for the period from the middle of 1947 until the middle of 1948 is only an interim programme. The programme for the year mid-1947 to mid-1948 is £1,700 million. This is an advance in money of £232 million, or about 18 per cent. on the programme for 1947 set out in the Economic Survey. The volume of imports envisaged for the year mid-1947 to mid-1948 is much the same as for the calendar year 1947. The great expansion in cost is, as the House will readily conclude, attributable to prices. The policy adopted in framing this programme has been to provide what is required for the health of the people and for the growth of industrial production, but to cut out less essentials ruthlessly. Tobacco, films, and consumer goods will represent only £85 million out of £1,700 million—a mere 5 per cent. will go in those three items, according to our estimates. Of the consumer goods, only a small proportion come from hard currency countries.

Now I turn to the criticisms of the Government's balance of payments policy. They boil down to five. The first argument against us is—this is quite often heard even now, though I agree it does not come from the right hon. Gentleman today—that the American loan was a mistake, and that we ought to have done without it. There are some people who believe that now, and did at the time. Considering the difficulty we have had in keeping going, even by drawing on the loan, it is up to those who use this extraordinary argument to show how

adequate alternative supplies could have been found in the time. Some of those critics thought that the answer lay in a more extensive development of the British Commonwealth and Empire resources. To them, I would say this—that if the people who have been talking so energetically about developing the Empire had taken as practical and vigorous steps to develop it in all the years that they were in power as this Government have already taken since V.J. Day, there might have been some shred of hope that Empire resources could have been mobilised adequately in time. But, owing to past neglect, this, unfortunately, is not the case. Others said we ought to have refused wider international commitments and relied on driving hard bargains, country by country. It must now be clear to all that even if such a policy had been justifiable, the immediate bargaining strength of this country would not have supported such a line of action.

The second line of attack has been that the credits and resources available to carry us over the transition from the war have been inadequate. That we freely admit. When our representatives went to Washington for the loan negotiations we estimated we should need 5,000 million United States dollars to see us through until our production had recovered sufficiently to enable us to pay our way. What we actually got was three-quarters of this sum—1,250 million dollars less than our estimated needs. Again, the purchasing power of this already reduced sum was further reduced by a rise which we estimate to be 40 per cent. in United States prices. The persistent boom conditions further compelled us to accept second, third and fourth choices at high prices, instead of what we most urgently wanted. Then we were compelled by events to assume a cripplingly high proportion of the common burden arising from the war. As one example, no less than 8 per cent. of our expenditure in the United States in the past year has gone to feed the Germans. The Government agree with their critics that the hard-pressed British economy has been weighed down further since the war by additional burdens and misfortunes, which we were entitled to hope we might be spared. But no Government could have avoided these evils without running into even greater ones.

The third line of criticism is that the loan has been frittered away on non-essentials—and that, I think, we have already heard some observations about. The loan was, of course, always intended to aid in financing our normal import programmes, until our exports rose

sufficiently to pay for them. That was the purpose. The loan has, therefore, been spent on items in the programme. The smallness of the cuts which we have been able to make without threatening national production and health is evidence of the relatively small proportion of the loan which has been going on non-essentials. Those who say the loan should have been spent on such items as steel, mining and manufacturing machinery, entirely overlook the supply conditions in the United States, where these things are almost unobtainable.

The Government did not feel it right to impose, shortly after the war, any greater degree of austerity than actually had to be imposed on this country. Many who are now criticising us for not having cut down more drastically on what they call inessential imports are the very people who, a year ago, were carrying on campaigns against the rationing of bread—which, incidentally has saved us a tidy sum in dollars—and in favour of unrationed petrol, which would have cost us a great many more dollars, not only directly, but indirectly, by creating extra home demand on our engineering and other industries at the expense of exports. People who took this line, who decried the need for maintaining controls through this critical period, and sought in every way to represent the Government as enforcing unnecessary austerities, really have no right to turn round now and criticise us for not having enforced even sharper austerity earlier.

Some critics take the line that we should have made faster progress in expanding production and achieving our export targets. There is room for fair difference of opinion here, and certainly the Government would not claim to have been perfect. Undoubtedly, mistakes have been made, and things have been done more slowly than we should have liked to see them done. On the other hand, if some of those who are now such fervent champions of greater production had, while they had control of the destinies of this country before the war, thought fit to bring our basic industries up to date, to make reasonable provision for research and training, and had been more active in combating the mass of restrictive practices and habits of mind so common at that time, the task of the Government in securing a greater expansion in production today would have been infinitely easier.

If production is now universally recognised as national duty No. 1, that is because the Government, without as much help from others as I should have liked, have placed it firmly in that position on the

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national agenda by a sustained campaign. Not that we have done so badly in production. Demand has been immense, and the difficulties of meeting it have been unparalleled. How many people even now realise, for example, that in the first five months of this year, when load shedding and electricity restrictions were in full force, we consumed 6 per cent. more electricity in Great Britain than last year, and 61 per cent. more than in the record prewar year? Without direction of labour, without ample supplies of the raw materials and foodstuffs to which we are accustomed, we have done more to restore and to outstrip prewar production than any other country which felt the impact of enemy explosives and revolutionised also its whole economy for war, as we did. Of course, we must and will intensify our production drive to meet this emergency. Every extra ton of home production of foodstuffs can save us a ton of imports. Every extra ton of coal above home needs is a vital contribution to exports.

The point I want to make now is, that while an immediate increase in output would do much to simplify our balance of payments problem, increased British output alone could not solve it. For one thing, it would not, in the short run, increase the capacity of most other countries either to pay for our exports to them or to supply us with the additional food and raw materials which our increasing economic activity requires. For another thing, the gap in our balance of payments is at present far too wide to be closed by any increase in production and exports that can be expected in the early future. The plain truth is this: increased production and exports are unquestionably the long-term solution; but, equally certainly, they cannot provide the entire short-term solution. They cannot enable us to pay our way in time. On a short-term basis, unless other means are found of closing the trade gap, further cuts will be inevitable. We may even have to face some cuts which will reduce our economic activity greatly, and so themselves prevent the rise in production for which we are all striving.

That brings me to the final criticism that has been made of the Government's import policy—that the cuts in our import programme are too little and too late. If one looks only at the arithmetic of dollars, that criticism is unanswerable, but, important as subtraction sums in dollars have, unfortunately, become, there are other important things to be considered. The first duty of this Government to our own people,

and also to the world, is to keep Britain in full production, in full employment, in good health and in good heart. To starve our industries or our workers, or to take the heart out of the British people, or to throw overboard abruptly a number of our most expensive overseas commitments, would be to play into the hands of the trouble-makers and the enemies of democracy, and to strike a blow against world recovery and the prospects of world peace. The Government are quite clear, having given deep and prolonged thought to this matter, that they should not impose cuts of a scale which would require a drastic adjustment of our standard of living until it is perfectly clear and certain that this is the only course open to us.

The problem which confronts us is this. The deficit for the year mid-1947 to mid-1948 is of the order of £450 million.

To balance our accounts, therefore, we should have to cut imports to about 25 per cent. below the level now contemplated. This is the gap that must be filled. But the problem is that it cannot be filled by cutting imports. If we cut imports too far, great adjustments become necessary in our production and in our whole standard of living. But we cannot indefinitely go on importing what we cannot pay for, and I must tell the House, quite frankly, that it may come to this—and a tragically bad day it would be for us, for Europe, and for the world's hopes of prosperity.

It is most important that we and the whole world should get the perspective of our problem right, because it is also the perspective of the whole world's problem. There are, in fact, many different problems mixed up with one another. Two are fundamental. The first of these is, recovery in production of all kinds all over the world. Until that is complete, shortages and famine will persist, productivity will be reduced, prices will be inflated, and all sorts of undesirable expedients will be forced on all but the economically strongest countries. The second is the establishment of world monetary and credit conditions which enable full employment, high production, and expanding and balance of trade to flourish. Until that happens, there can be no security on earth, economic, political or military, and even those who may temporarily be living in plenty will all the time be living on the edge of a volcano.

The importance of the problem of getting more commodities produced and distributed quickly cannot be over-rated. It is all very well

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for us to set up long-term organisations to assure the future security and welfare of mankind, but if the producers of the world do not expand their production more quickly in the next three or four years the whole opportunity of building a tolerable civilization may be lost. Time is all-important. Not only Britain, but the world, must produce or perish.

We, as the nation most inextricably bound up in world trade, suffer particularly from world shortages. I will take just one example—cereals. The Coalition Government planned, even before D. Day, to start restoring the production of British livestock products by modest imports of animal feeding stuffs. We were defeated first by shipping difficulties, and then, after the end of the war, by the threat of world famine which forced diversion even of coarse grains to human consumption. Widespread droughts and other natural disasters were added to war devastation of the great wheat and rice growing areas of the old world, and we were forced to find dollars not only for the whole of our own great imports of wheat, but for those of India, the British zone of Germany and even our normally rice-eating Colonies. We were, therefore, hit in three ways by the cereals shortage, which set back our own plans for agricultural reconversion, added millions to the quantities of food imports for which we had to pay and the price we had to pay for them, and compelled us to buy in dollars what could otherwise have been bought for sterling. The Government responded actively to this situation.

Just over a year ago I crossed the Atlantic to concert with the United States and Canadian Governments on measures for bridging the gap between world cereal requirements and supply. I was very strongly criticised from the benches opposite. I hope that some of those who made this criticism will note what has happened since. We have had bread rationing in this country, but, contrary to the prophets, we are still alive in spite of it. Famine in India has been averted by narrow margins, and the economic conditions for political settlement have just been maintained. In Europe also, famine has been held in check, although in some of the ex-enemy countries, owing to difficulties which the House has often discussed, the situation has been very bad. But the big thing is that world cereal production has expanded.

In the United States alone, under the leadership of the Secretary

for Agriculture, Mr. Clinton Anderson, whom we look forward to welcoming here at the end of this week, they have planted four million more acres and they are bringing in now the biggest harvest in history—1,400 million bushels of wheat. In Canada also, on whose never-failing efforts we rely for most of our daily bread, the farmers have done great things and are reaping enough this year to secure us the promised supplies under the Anglo-Canadian Wheat Agreement. The world supply of wheat has been expanded and its use economised sufficiently to avert world famine, but the cost in foreign exchange has been enormous and it has left all the wheat importing countries impoverished. Our very success in combating the famine in food has contributed to the famine of foreign exchange in the consuming countries; for, one of the worst things about these shortages is that they are so unevenly spread. In the United States and in the Western Hemisphere generally, production as a whole is more than 50 per cent. higher than before the war. In war-ravaged Europe and in Asia, on the other hand, production on the average is still well below the prewar level. This disparity in the rate of economic recovery and expansion is the fundamental reason for the balance of payments crisis which now threatens the world.

The only remedy, pending the restoration of European agriculture and industry, lies in devising some means whereby billions of dollars worth of North and South American production can be transferred across the Atlantic without the necessity for immediate payment in the form of an equal and opposite flow of European goods. Up to now it has been found possible to finance an enormous flow of excess exports from America by a variety of means, for example, by U.N.R.R.A. supplies, by special loans such as those to the United Kingdom from Canada and the United States, and by countries dipping into their remaining reserves of gold and dollars. By these means a breathing space has been won during which the countries of Europe—and let no one underestimate this—have made substantial, if gradual, progress towards the restoration of their production. But now U.N.R.R.A. is dead. The reserves are becoming exhausted, and still the process of recovery is far from complete. Some new way has to be found of maintaining supplies until the Old World can stand on its own feet. The institutions set up at Bretton Woods, the International Bank and Monetary Fund, while they may have a valuable contribution to make

even in our present difficulties, cannot by themselves meet the emergency needs of the period of reconstruction.

For this, therefore, something different is required, to which our wartime experience may provide a clue. In war, after the United Kingdom had faced the enemy alone through its second winter, a new system was devised to ensure that those who could contribute to the war against the Axis should not be prevented by book-keeping considerations. The essence of this system of mutual aid was the maintenance of maximum war effort by each country contributing its full available resources whether of manpower, materials, or credits. As we all know, this system proved an important element in victory, but it also proved to be the key to a tremendous domestic prosperity, such as the countries concerned had vainly tried to attain by orthodox methods in time of peace. It is a paradox, most conspicuous in the case of the United States, that enormous apparent economic sacrifices and burdens were shouldered while standards of civil consumption were in many cases little reduced and often actually increased.

The world has learnt from this that the test of a modern economic policy is whether or not it keeps the economy running at somewhere near full capacity or not. The price of letting an economy be throttled down right below capacity is so vast, and the sacrifices it imposes so heavy, that anything which keeps the wheels turning pays for itself. War demanded, and brought about, a rational system of international finance. Under this system the apparent great sacrifice through aid to other countries was much more than made good by the enormous stimulation of demand resulting in more economic production, stability of employment, and a high and steady national income.

Whether the analogy of mutual aid is applicable to the present situation, or whether some more appropriate method can be found of maintaining the life-giving flow of goods and services, I do not know. One point has, in any case, to be borne in mind. Mutual aid was accompanied by something resembling overall planning of allied military and economic resources, and would have been impossible if the countries which gave more than they received had not been confident that the others were pulling their full weight. Now, once more, it is essential that the countries of Europe should prove their will and ability to win through. They must agree on methods to help themselves and each other, in accordance with a co-ordinated economic programme designed to free them from abnormal dependence on

imports and make them economically healthy. Only on this basis is it reasonable to expect the full co-operation of the United States and other countries from whom the bulk of the assistance required to restore the economy of Europe must be drawn.

From a strictly business standpoint our recent conduct as a nation may seem extremely foolish. We were foolish enough to go to war for a principle without being attacked and to spend our accumulated wealth in holding the line against Fascism until other countries, whose values and vital interests were equally threatened, were brought in. We then mobilised more completely than any other country, and refused to compromise our effort by attending to such details as whether we were going to have enough electricity after the war, or how soon we could get back our lost markets. Having emerged victorious we then gave away vast sums to others, while we had to borrow money at interest to carry over the period until our own production and exports could be restored. A good deal of this borrowed money we proceeded to pass on to our starving ex-enemies in Germany, to our enemy Japan for cotton cloth for our Colonies, and to our suppliers in the Argentine and such sterling area countries as India and Egypt to meet their dollar needs. We behaved, in fact, as a one-man international monetary fund, helping the world to carry on until the balance of payments problem could be solved. And we did all this as an act of faith. Had we failed to do the first part of it we would have lost the war; and had we failed to keep up the effort more recently, the peace would already be past saving.

Trade is an exchange of goods and services, and it must be two-way. We have a record as the world's best customer, and its biggest lender for development in every continent. Unfortunately, we have overstrained ourselves, and we cannot do more than we are doing. We can, however, still contribute a great deal. We can provide important manufactures which are required in every country to restore production. We can also provide vital raw materials such as rubber and wool. Although we are in no position to make an immediate contribution of coal to other countries—apart from what we send them embodied in exports of manufactures—we will redouble our efforts to resume coal exports to the Continent at the earliest possible moment. There are other ways in which we can help. Appalling as our shortage of dollars is, measured against the prospective gap in our balance of payments during the next two years, we have many

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valuable assets for the common pool and we will make them available in the most practicable and acceptable manner, provided—I emphasise, provided—others are willing to put in their resources according to their ability also.

Time is very short. In these matters the best is the enemy of the good. We cannot hope for a fully comprehensive agreement before the twelfth hour strikes. Therefore, we must go for the best agreement we can get before the clock strikes, as it will, this autumn. Fortunately, the crisis can be dealt with in two complementary parts. First, there is the world-wide problem of raising production: that can be tackled through the United Nations, and by direct talks. Our representatives have made great progress, even in Eastern Europe, in reaching practical arrangements for the development of exchange of commodities and manufactures, and nothing seen in the headlines about diplomatic deadlocks must be allowed to hold up this healing process. It is when we come to the balance of payments that we must, following the regrettable breakdown in the Paris talks with Russia, be content for the time being with a more limited objective.

While production is a vital interest for all countries, and world trade is a general world-wide interest, the bulk of world trade is carried on by a relatively small number of countries. It is these countries, naturally, whose economies are vitally affected by the present shortages of dollars and of other currencies, including sterling—for sterling is a hard currency to some countries, just as dollars are to us. The countries whose economies are of this pattern are the ones which have the greatest understanding of world trade and the greatest interest in putting it on a sound basis. If such countries can agree on methods of maintaining and expanding trade through the present strains and difficulties they will, in the process, show the way to others and demonstrate the groundlessness of fears that measures whose sole object is the expansion of production and trade may have some sinister implications. They will thus provide a magnet of commercial attraction to which other countries will be drawn.

Do not, therefore, let us be held back from seizing quickly and surely what can be grasped now by the fear that we may be perpetuating divisions in the future. The truth is really just the opposite. If we do not create the nucleus of a sane world economy now, the lack of it will force even many who would be disposed to co-operate into hostile or suspicious groups and compel them to take crude and

damaging measures in the hope of self-preservation. We, therefore, as a great commercial nation, are staking our whole future on the creation of a sane economic system. We cannot, and will not, believe, after all the sacrifices made by all the peoples for a better world, that anyone who hopes to build democracy in peace will again let loose on the world the demons of trade restriction, unemployment, and famine.

Our progress, since what was called victory, takes us from one crisis to another as the bills which we were forced to sign as the price of victory come in for payment. Perhaps we may feel, and perhaps history may judge, that the people of this country deserved something better after their single-handed stand for freedom in 1940. Certainly, for the individual citizen, and particularly for the housewife, this continuing succession of crises is a bitter and severe test. Very often there is a temptation to vent on His Majesty's Government the irritation and frustration which we all feel, and to speak as if these things were due to some extraordinary wrong-headedness or incompetence. But I think the House will recognise that any Government which had the terrible responsibility of guiding the country through these post-war days would have been up against much the same immense problems, with much the same inadequate resources. Unfortunately, the breathing space has been further curtailed, and the emergence of world-wide order has been further postponed, by events outside the control of anyone in this country. Our production and exports have lagged far behind our needs, and we must increase them vastly and rapidly if disaster is to be avoided.

Nevertheless, we need not be ashamed of what we have achieved in the last 18 months even, though it has not been nearly enough. We have regained our pre-war volume of exports, we have beaten many pre-war production records, we have set up a standard of orderly industrial relations which is the envy of the world, and we have contributed a vast effort, despite great difficulties, towards the relief and reconstruction of Europe and of Asia. All of us in this country are entitled to face the future, whatever it holds, with confidence. We are standing, as in 1940, for what we know is right and sane against prospects which to any other people would look madly discouraging. We do not know how many trials and hardships these next months will bring, but whatever they may be we will weather them successfully, provided we do not deviate from the only track which leads in the direction of a sane and prosperous world.

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Broadcast on December 13th, 1947, at 9-15 p.m.

LET the Opposition beware of introducing the accents of acute class war into our democracy. They are not innocent of trying to put the middle classes against the working classes and section against section. I know that the middle class have had a difficult time. In order to share things out fairly amongst all of us in a period of shortage we have had to ask some people to accept a lower standard of living than they have been used to—always a difficult thing to bear. Nearly all of them have understood the reason and have accepted the situation with a good public-spirited grace.

This British Labour Party of ours stands up for all the useful people. Education, health services, social insurance, family allowances, university grants : these things now benefit the general body of the nation—the middle classes as well as the working classes will have reason to bless these services when they are in full operation. We have abolished the class distinctions in these great fields and have manifested a far wider and higher public spirit than the Conservatives have done. We have done away with the upper income limit on the social services—as one should in a democracy. And they all contribute, too.

Of all of us, grumble as we may, there is no doubt that married women, especially mothers of young families, come up against the most trying difficulties of all. Their responsibilities are the greatest ; their tussle with problems is constant and relentless—*they* can't let up ; everything gets more difficult for them in the cold weather ; and I know what staggered hours, which are such a help in the factories, mean to many a mother—a hot meal for her man near midnight yet she must be up bright and early, to get the children off to school next

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morning. Here is, one might think, first-class soil in which to plant despair. And, as you know, the Conservatives have tried it. It is a clumsy blunder. For women know that it's better to have a fair share at a fair price even if the share is not as much as they would wish. They know that the ration book is the fair way—not the amount of money you have in your purse, or the amount of time you have to spend. They know, too, that they can trust this Government, which is of and represents the useful people, to be concerned all the time with keeping the cost of living manageable and steady and of protecting the standard of living.

Women are giving the irresponsible Conservatives their answer. They are making a fine job at home—backing their husbands in the production effort ; and many, whose home ties are less now that the children are older, are themselves putting on their overalls and helping in the factories. Good luck to them, say I, and thank you.

We've had set-backs and climatic and international troubles ; but it's not going too badly. Let's look at the facts and figures and be proud of ourselves as a people. We have found jobs, many at higher standards than before the war, for a million and a half more people than pre-war. A million and a half jobs is a lot. Despite all difficulties we are exporting by volume nearly one-fifth more than pre-war. Our battered and run-down railway system is carrying a fifth more goods than pre-war with 15 per cent. fewer wagons. This autumn we have touched the highest peak of steel production on record in war or peace. The miners are raising enough coal, not only to keep going our own industries, but to begin to help other countries which in turn can send us goods. You wireless listeners have two million more radio sets in use than pre-war. Despite the drought we are producing much more milk and a greater volume of agricultural produce generally than we were. I am the last to start cheering before the game is won. But these are figures to give you quiet confidence in the outcome.

Why, if this is so, you will ask, are there shortages ? Why do we have to put up with these irritating and exhausting cuts ? There are several good reasons. First there always were shortages, but before the war people who had enough money took all they liked and people who hadn't had to go without. No one needed to queue for fish as long as enough people were kept queuing for what was called the dole.

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Another reason is that so much wealth was shot away in the war. To give us here and now enough food to abolish food rationing, millions of people in other countries, including parts of the British Commonwealth, would have to starve. Some countries can eat more than we do, but the greater number have to eat less. But of course it isn't just unselfishness on our part that compels rationing, it's because we haven't enough dollars to buy more food. Most other countries are in the same boat about dollars, including rich and undevastated countries like Canada and Sweden, but none of them needs to import so much food as we on our small island. The difficulties of Canada and Sweden are proof, positive and unanswerable, that this is a *world* problem and not, as the Tories sometimes suggest, a special outcome of your Government's policy.

Let's be proud, proud that we have carried through, in spite of all our trials and in spite of party mischief-makers, much of the high spirit and national confidence which astonished the world during the war. No great country has such a post-war record of freedom from industrial breakdowns and stoppages as ours. No country has operated so many and often burdensome controls with so little of the sordid chiselling and selfishness which is called the "Black Market." No country, except the United States, has spent such immense sums and sent so many goods to relieve war-shattered peoples. The British Commonwealth—that proud and most successful family of united nations—has never been more alive or showed more varied signs of growth than now. In Europe it is the British Government to whom all have looked for the leadership and the skill to enable a group of sovereign nations to create and put forward the great joint plan for reconstruction for which Mr. Marshall has asked and which is now being most sympathetically examined in Washington.

Our democracy is in our blood and bones. We each of us are free and we each know that we cannot keep our democratic freedom without sharing its responsibilities. We know that the difficulties and sacrifices of today are petty compared with the value and possibilities of our great and free democracy. For that we will fight. That is the kind of people we are.

The kind of people whose effort is now taking them round *Recovery Corner* to a better and brighter, an even more free, Britain.

Isn't our way the best? Stick it—it's worth it!

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